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BOOK REVIEW ARTICLE

Council for Social and Economic Studies

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THE JOURNAL OF SOCIAL, POLITICAL AND ECONOMIC STUDIES

ROGER PEARSON
General Editor

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OF WESTERN SECURITY, NEW STRATEGIES, AND DEFENSE COSTS

By Robert C. Richardson, III

We are in the dawn of a decade of crises. When it comes to security and money the fog of confusion is rapidly spreading across the Western world.

On the security front two developments are now rattling the best laid plans of all the defense experts. The first was the 1983 Reagan proposal to abandon the strategy of Mutual Assured Destruction (MAD) and build defenses against the growing Soviet missile capabilities. The second is the INF agreement coupled with the possibility of a similar arms agreement on strategic systems called START.

On the money front, the results of the reckless U.S. social spending commitments of the 1960s have come home to roost. After the money ran out to meet the costs of ever-escalating social programs, irresponsible leaders turned to deficit financing and increased taxation. The need to do something about the massive deficit this generated over the past 10 or more years is leading to cuts in American defense spending regardless of their impact on security.

Today, the U.S. is selling security policies to keep its "social cadillacs" on the road. More and more politicians seem to be willing to abandon the future of the West to the tender mercies of the heavily armed totalitarian powers.

Admittedly this is a somewhat unkind and over-simplified statement of where we stand. Unfortunately it is accurate. Whether or not one can blame Soviet planning, active measures, and propaganda for this situation is a moot question. In all probability they had a hand in it. The main culprit, however, is in the West. Too long a period of peace has nurtured a bureaucracy and political establishments whose primary mission in almost every sector has become secondary to their self perpetuation and growth. And, these goals seem to have all too often become secondary to what is in the national interest. As one current example, NASA still tries to perpetuate its monopoly over all civil space activities even after the President has determined that a greater role by the private sector in space was in the national interest.

In the U.S. Congress, all too many member's first priority

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is clearly to get re-elected. National interest votes and actions are made only when and where they do not conflict with this priority. In the Administration's major Departments we now find an abundance of over-age bureaucrats protecting their turf. Most of these started out after WWII, or when their Departments were founded, along with a lot of bright young people dedicated to the mission. As the years passed, the bright and the best moved out to more rewarding civil employment while seniority and civil service rules led to a take-over by the less ambitious and less qualified, many of whom seem to have reached the level of their incompetence in accordance with Peter's Principle.

The problem is how to cope with all this? During the past two decades the evolutionary reasonably modest and predictable challenges that the bureaucrats were faced with in peacetime proved solvable given qualified and dedicated political appointee leadership.

Today neither the Congress nor the Administration seems able to produce the imaginative, bold, and decisive leadership needed to deal with problems such as the deficit, the Challenger accident, the dramatic changes on the security front brought about by changes in the size and scope of the Soviet threat, and most recently the implications and consequences of Reykjavik and the INF. Today defense spending is not the problem but only the "whipping boy" when it comes to the cost of government.

On Defense Spending

The services are now having imposed on them spending limits and force reductions that far exceed anything they might absorb by reducing waste or increasing productivity. These reductions are in some cases considered, by responsible defense and military experts, to be such as to jeopardize the ability of the military forces to carry out the national security tasks they are responsible for. The recent resignation of the Secretary of the Navy, James Webb, over arbitrary cuts clearly imposed for political and budgetary reasons, is an example of this.

In the lead editorial in the *Wall Street Journal* on 25 February 1988, Dr. Herbert Stein, Chairman of the Council of Economic Advisors to two past Presidents had this to say about

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the present U.S. defense budget cuts that led to Secretary Webb's resignation:

> The rationale for the defense cuts is not a national security rationale but an economic one. At the most fundamental level the policy is incredible. We have a choice between deferring the reduction in the budget deficit and deferring the strengthening of our defenses. We are making the wrong choice. We are looking at the wrong deficit. The deficit in the budget cannot kill us. The deficit in our defenses – the deficit of our forces relative to our needs and to the strength of our enemy can.

Those who feel that reducing the deficit must have priority over defense needs, plus those who for other economic reasons wish to cut defense spending, tend to argue that weapons and force programs that they do not agree with, such as MX missiles, certain ships, or SDI, can be cancelled without harm to our security.

A few others argue for defense cuts on the traditional but well over worked grounds that there is more than enough waste in defense spending, or in the weapons acquisition process, to allow for the cuts without harming national security – whether this is true or not.

When these voices are allowed to prevail, as they tend to be when the political leadership is looking for any excuse to reduce the defense budget, they all too often include those of known opponents of national security including many that are mouthing Soviet views.

Efforts to weaken U.S. security via the budget process are hardly new. In the past, however, DOD's response has been to both defend the need for its programs, on the one hand, and to establish studies and commissions to "review the acquisition process or cut fat or waste" on the other hand. Until now this proved to be reasonably successful in minimizing the mischief of political motivated efforts to tear down defenses through the budget process.

With the growing pressures to reduce the massive self-created national deficit we are entering a period during which the receptivity of politicians in rationalizing cuts in defense, even when they know the arguments are false or spurious, is different. We have already seen the process at work in the 1989 budget. This means that unless those responsible for and con-

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cerned with national security can identify, and are prepared to adopt, major and often revolutionary changes that collectively have the effect of doing the defense business in a new, credible but also cheaper way, the ultimate impact on long term free world survival could be disastrous. This also raises the question of the types of changes that could do this and should now be considered.

In my view, based on over 30 years of experience in war planning, there are several ways major savings in defense costs can and should be realized on a one time basis if the leadership has the imagination and courage to adopt them. Our choice is not limited to "deferring the deficit or the strength we need" as Dr. Stein suggests. In this case, and again on a one time basis only, we can have our cake and eat it too. To do this, however, will require:

1. That we overcome the establishment's inherent and traditional resistance to adopting new approaches that exploit new technologies that could do what is now being done by our defense establishment, but at less overall costs. The "system" has always resisted innovations that reduce the size of forces or budgets.

2. That our political leaders recognize lobbying groups for what they are, and ignore the arguments and lobbying of those groups and individuals that are clearly trying to use the budget process to pursue anti-defense actions which they are unable to sell on their merits. This means placing national interest above catering to pressure groups for votes and

3. That we are willing and able to identify and correct the past decisions and policies that have led to the high costs of weapons acquisition and DOD management.

Some specific examples of the types of decisions that would save billions in defense costs under each of the above criteria might be a) Adopt SDI and phase out those offensive forces not needed once an effective defense is deployed. b) fully exploit the most advanced technologies including space-based weapons. c) Abandon the costly, time consuming, and wasteful low risks acquisition policies introduced by McNamara in the 1960s and, d) Redo the now obsolete 1947 Defense Organization Act which protects waste and duplication among the services.

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Savings by Changing Strategy

In the abstract, a credible defense against any postulated threat involves the interrelationship of three factors. WHAT must be defended – the task or mission; HOW we go about accomplishing the mission – the method we use or strategy; and, the MEANS available to us to successfully implement the mission with the agreed or prescribed strategy.

In simple terms the basic defense equation has always been:

the job + the method + the means = the threat

or

the task + the strategy + the forces and weapons = the threat

This may sound irrelevant to the budget question but in fact it is not irrelevant, because the key to its solution lies in which of the above factors one is willing to consider as variable.

The normal and historic tendency has been to assume that only the Means (the money or forces and weapons) are variable when it comes to countering a new or changed threat. For example, we accept as a given that we must defend NATO Europe. We accept as inviolate that it is to be done by the current strategy of Conventional/Flexible Response and we try to meet increases or changes in the Soviet threats to Europe by seeking new weapons or more forces (e.g.: build up conventional forces to re-establish credible deterrence when the missiles are eliminated).

Balancing the basic equation by adjusting only the means may be the easiest and most acceptable approach, but is also the most costly. Every new or changed threat must be met by greater numbers or more sophisticated weapons and forces. This creates the classic arms race syndrome in which any build-up on one side drives an equivalent or off-setting build-up on the other side in order to balance the equation.

Unfortunately what most defense planners and decision makers tend to overlook, or intentionally ignore, is that the basic equation can also be balanced by changing one or both the other two factors – strategy and/or tasks. Changes in these do not necessarily involve increases in defense costs. On the contrary, by changing the size of the job (reducing the tasks), or by changing our strategy (how we go about doing a given job), we can realize major economies in forces and weapons while effectively coping with greater or even new kinds of

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threats.

The ability to solve the security problem by adopting one of these two approaches – cutting down on the size of the job or changing the way in which it is done – depends on whether or not some tasks are still being pursued even though they are no longer critical to security or whether technological progress allows us to consider new strategies that can do the same job in a different way and at less cost.

Insisting that Europe can now afford to provide the manpower needed for its own defense would be an example of the former. Substituting SDI and its strategy of Assured Survival for Mutual Assured Destruction (MAD), thereby making obsolete Soviet superiority in ICBM forces, would be an example of the latter.

There is ample historical precedent for changing strategy in order to cope with the inability to pay for military equivalence under the existing one. NATO did this when, being unable to afford to match Soviet conventional forces, the NATO Council adopted the strategy of "Tactical Nuclear Response From The Onset" in its 1956 Political Directive. Unfortunately cutting tasks or changing strategy are deemed to be revolutionary solutions that are invariably resisted for three reasons:

First, there is a general lack of understanding that the current strategies and tasks are not inviolate. Existing strategies tend to go unchallenged even when they were adopted years before for reasons that are no longer valid .

Second, parochial protectionism in all military organizations inherently resists considering solutions that will, if accepted, reduce their budgets or forces. Service Chiefs and planners know from experience that once an acceptable method is found to do a defense task with less money, people, or equipment they will never get more.

Finally, human nature and habit welcomes change in hardware but resists change in policy, theory, ideas, religion, etc. In defense all want new and better weapons but few are willing to learn new doctrines, tactics, strategies, or adopt new policies. Changes in these areas are destabilizing, threaten job security, roles, missions, budgets, and so forth, hence are inevitably opposed. The adoption of SDI has suffered more from this factor within the defense establishment than from attacks from outside the establishment.

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In today's environment, in which the U.S. has been faced with a continued Soviet build up of its strategic nuclear missile forces and military space capabilities, we either have to spend whatever it costs to maintain military equivalence and a credible deterrent with offensive-only forces under MAD, or find a new and credible strategy that can provide for our security in out years without obliging us to pursue a MAD arms race. SDI is just such a strategy.

By deploying missile defenses and adopting a strategy of deterrence and defense based upon Assured Survival we, in effect, take the numbers out of the MAD arms race. Who cares how many offensive missiles the Sovietsinvest in so long as they cannot get here or destroy their targets? This change in U.S. strategy would make the Soviet offensive missile superiority relatively useless just as the adoption in 1956 of NATO's New Approach strategy made the Warsaw Pact Conventional superiority useless.

In summary, when the U.S. need to reduce defense costs can no longer be safely met (security-wise) by across the Board cuts, we must then choose between: a) Accepting a major degradation in the nation's security posture, b) Major reductions in national security commitments such as withdrawal from Europe, abandoning one arm of the TRIAD, etc.; or c) If possible, exploiting new technologies to change our strategy to one that is equally credible and valid but less costly to sustain such as deterrence based upon SDI rather than on MAD.

The latter solution – changing strategy – depends upon the ability to exploit technological superiority in one or more areas. In the 1950s it was in nuclear firepower. Today it is in computers, electronics, materials, and in our ability to assemble these into effective missile defense and space systems.

Savings in Acquisition Costs

Absorbing major reductions in the defense budget by adopting a new strategy such as SDI, or by dropping major commitments, such as NATO or the TRIAD, is one solution. Another solution with some potential for sizeable cost reductions can be found in the weapons acquisition and defense organization and management sectors. Here again, however, these can only be realized by somewhat revolutionary changes – changes that are long overdue and should be made, deficits or not, but that have always been fiercely resisted by both the Services and the

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Congress. Since they make sense, however, pressures to overcome the deficit may allow us to bring these about or at least get them considered.

There have been numerous studies over the past three decades of the DOD acquisition process. While improvements have been made none have actually produced any lasting or massive economies. This being true, why should a new effort do any better?

The answer to this lies in the fact that few if any of the studies have actually identified the basic causes of today's high costs and sought to address these. Instead they have dealt almost exclusively with the various activities within the process itself rather than the policies that brought these about.

Since it is not possible to make macro changes in DOD acquisition and procurement policies without first challenging and changing the reasons for which these were adopted in the first place, past findings have been limited to recommending essentially micro adjustments rather than the revolutionary changes required in order to get major and sustained economies. In brief they have addressed procedures for implementing the policies rather than the policies themselves.

We suggest that the following basic factors are largely responsible for the high cost of modern weapon systems.

Research and Development TIME is a major factor in systems costs. It is also a factor in whether or not we have the best weapons or give the Soviets the opportunity to see what we are doing, copy or steal our new technologies and be first to deploy equally good or even better weapons.

The amount of RISK we are willing to accept is another major factor in cost because lowering risk adds time to the development cycle. Time costs money. Pushing the state of the art as well as IOC dates increases risk but produces the most advanced systems at least cost.

A third major factor is the LEVEL OF DECISION-MAKING The most cost effective systems result when those empowered to make decisions in the development process are both the leading experts in the type of equipment involved and have the responsibility for its eventual operation and use. When decisions are made by levels not experts in the equipment these must logically resort to studies and evaluations on which to base their decisions. Such studies take time, which is costly.

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A fourth major factor lies in who is allowed to participate in decision-making. When these are limited to persons who are either experts in the type of equipment or future users of the equipment their inputs are almost entirely aimed at maximizing the capabilities of the end product. When participants in the process include people with other interests than the use or purpose of the end product the result is often a compromise, detrimental to cost effective capability, e.g.: If one lets arms controllers influence missile system design to facilitate, say, verification the end item's performance will be compromised!

Finally, total program funding from the onset is essential. This is the one problem that has been recognized and corrective action sought under the term of multiyear funding. In the case of high cost items acquired in limited quantities such as fighters or satellites the manufacturer should be able to subcontract for components for the entire likely buy regardless of the years in which it is to be delivered.

There are other major factors influencing cost such as the level of technical intricacy and the time it takes for front end decision-making e.g., from concept to first development contract. There is also the willingness to risk concurrency in the various development and production phases which is part of the risk factor accepted.

When one examines the various policies that have been adopted over the years, certain of these stand out as being responsible for the high cost and long lead times associated with the acquisition of today's weapon systems. In order to change these and realize the major economies this would bring about we must:

1. Bring authority and responsibility back together at all levels of decision-making.
2. Return the authority to make decisions,at all levels of R&D, to the highest levels with expertise in and eventual responsibility for the use of the end product.
3. Return to a high risk acquisition approach on weapons that push the state of the art. This means eliminating the low risk, building block, fly before buy, approach introduced in the McNamara era. It also means maximizing concurrency.
4. Eliminate from the decision process people or organizations that have no expertise or role in eventually

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utilizing the systems to be developed. Limit their role to making recommendation only to the experts or decision makers.

5. Persuade the Congress to adopt multiyear funding for all major programs.

If the above steps were taken acquisition time could be drastically reduced and major savings realized. Studies have indicated that for every year cut out of research and development time we can save up to 30% of the system's life cycle cost. Before the 1960s it took less than 6 years to deploy the most advanced systems. Today it takes more than 10 years.

The Polaris program, which was largely managed under the policies that met the above requirements, put the first submarine to sea in 4.2 years. All major acquisition programs since the 1960s, when these policies were changed under the McNamara low risk building bloc approach (which required that all technologies to be in hand before approval of systems acquisition and reserved decision-making to political appointees with no expertise in the items being procured) have taken ten or more years from first concept to deployment.

In addition, important non-fiscal benefits would be realized by reducing acquisition time. The equipment bought would be better. The Soviets would have less opportunity to see what we were building, steal and copy it, and come out with equivalent capabilities first, and a President could meet new threats with new equipment within an eight year watch.

All these basic causes for the long time and high cost of today's procurements can be identified by reading between the lines in every major study done on this subject. Unfortunately, few, if any, of the authors of these studies have had the courage to point out that these are the real issues that must be addressed before anything more than minor improvements and savings can be achieved.

Savings in Defense Management

A similar case can be made for savings in the Management area wherein the obsolete, duplicative and compromise nature of the 1945 Defense Organization Act produces massive waste through overlap, lack of coordination, and inter-service competition and duplication.

In the Defense Management process, major savings could be

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realized by consolidating like functions and activities, eliminating the over-layerization that is rampant, especially in Washington, and reducing personnel accordingly. To obtain these, however, would require overhauling the 1947 Defense Reorganization Act which has become a Pandora's Box that neither the Services nor the Congress seems inclined to reopen.

First, over 40 years have passed since the basic Defense Organization was adopted in 1947. At that time it was a political compromise fraught with duplication and slanted towards protecting Service autonomy and roles and missions. Since then only minor adjustments have been made. Meanwhile, all services have gotten into like types of major weapons systems such as aircraft, missiles, satellites, and even surface shipping. Each are allowed to design, build, buy and operate the ones they want as if they were the principal if not the only users of that type of weaponry. Simple common sense suggests that this is wasteful and inefficient.

Second, we supposedly have a unified establishment. We made operational commands joint activities but left the service support functions separated. A self-evident economy would be to unify the systems and materiel commands of the services as well as the military personnel functions.

With all services designing and buying missiles, satellites, aircraft, and other costly systems the people that operate them, such as pilots or missileers and others, can't be moved back and forth between the services to where they are needed at any given time! This is patently wasteful, costly, and ridiculous.

As to over-layerization resulting in massive overstaffing, one need only compare today's Pentagon structure with a simple model of a sound organization. In a sound organization there are only three major activities or focal points: *A* that responsible for doing the job – operations; *B* that responsible for supplying the operators with the tools to do their job – the procurement logistic and support services; and *C* that responsible for managing the organization and deciding what *A* will do, and what *B* will provide to *A*, under existing policies and available funding. If this is true one can properly ask just what all the staff layers in the Pentagon that are in between these three key elements do to justify their existence?

Put another way, the Unified and Specified Commands are responsible for doing the defense jobs. The Systems, Logistic,

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and Materiel Commands are responsible for providing these Commanders with the tools they need to do their jobs. And, today, the Secretary of Defense, and sometimes the White House or even the Congress, assigns the jobs and decides what funds, weapons, and forces will be made available.

In this clear and simple model one may ask just what are all the layers of Service Secretaries and Staffs, and four (4) separate Service Chiefs and their Pentagon Staffs supposed to do? Either they are smarter than the Major Commanders on what they need and how they should operate, or they are smarter than the Systems and Materiel Commanders on what they can and should develop and provide, or they are busy trying to outguess what the SECDEF, White House, or the Congress will decide! Any way one presents it these layers of staffers are duplicating, or meddling in, the activities and responsibilities of one or more of these three major functional areas. Here again simple common sense indicates this is costly and wasteful.

While all this may sound somewhat over-simplified or specious it is basically a fact of life in the real world of defense today. Many past studies have surfaced these problems and suggested changes. One of the most comprehensive of these was the two year USAF study of Defense Organization known as the "Black Book," undertaken under General Thomas White in 1960. It identified the three costly problems with our Defense model of a sound organization. In a sound organization there are only three major activities or focal points: *A* that responsible for doing the job – operations; *B* that responsible for supplying the operations with the tools to do the job – the procurement logistic and support services; *C* c) that responsible for managing the organization and deciding what *A* will do and what *B* will provide to *A* under existing policies and available funding. If this is true one can properly ask just what all the staff layers in the Pentagon that are between these three key elements do to justify their existence?

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The Bottom Line

What does all this tell us?

First, that bold U.S. leadership in both the Administration and the Congress can reduce defense costs without reducing U.S. security – in fact while improving it.

All services still retain many WWII roles, missions, traditions, functions and independent activities at great cost in waste and duplication. Like social security, however, they have massive lobbies behind these activities. Unlike social security the first major war will force a change in many of these while under attack and at great risk to the effectiveness of U.S. defenses. Corrective action is more than overdue and the present deficit crises could be used to justify at least some movement in the logical and right directions.

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Second, that the days when substantive changes in strategies, policies, organizations, and other non-military hardware areas, can be debated, leisurely considered, and introduced in compromise forms and by osmosis, over a period of years, are over.

Dramatic environmental, technological, political and other developments require drastic – real time – responses. We are entering an era of rapid change. Nations that can't cope with it will suffer the consequences.

The changes discussed herein are not by any means the end of the line. Before all these are dealt with we will probably see: a realignment in the NATO alliance; the start of withdrawal of U.S. forces from Europe; the permanent retirement of many now cherished weapon systems such as ICBMs and even big carriers (CVAs); atomic weaponry allocated to a secondary role much like that of chemical weapons at present; recognition that space control has become the new, dominant requirement for deterrence and defense, and the development of space forces accordingly.

Lastly, we can hope that as conditions get worse as a result of our own mistakes, misguided priorities, and stupidities disguised as political necessities, the people will react to the growing crises by electing courageous and intelligent leaders who will be willing to address the fundamental problems such as putting amateur strategists and young aides back into advisory roles and returning authority to the professionals that are not only responsible for decision-making but also for implementing the decisions they make.

Of all the trends responsible for the present decline in Free World power and security, the separation of Authority and Responsibility that has been allowed to come about as a result of a combination of creeping centralization of authority and amateur meddling in policy through micro management, has been the most damaging. Among many things, this resulted in our losing wars (Viet Nam) and in the misguided arms control aspirations of the 1960s which prevented us from developing and deploying the advanced, cost effective space and other weapons systems that, had we had them today, would have prevented all the problems we now face in this area.

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NATIONALISM, INTERNATIONALISM AND THE CONFLICT IN NORTHERN IRELAND

by Alex Greer

Great Britain's recent 1987 election was fought on issues stemming from Thatcherite economics to nuclear weapons. In the six counties of Northern Ireland, popularly called "Ulster,"(1) the past election, like all elections in the last two centuries, was contested, to quote long-time observer Richard Rose, on "how the country should be governed – or whether it should be governed at all."(2) In particular the Anglo-Irish Agreement, one and a half years old at this writing, constituted and still constitutes a major bone of contention between three parties; the unionists, who regarded the Agreement as a death warrant for the Province's British connection; the outlawed Provisional Irish Republican Army and other republican terrorist organizations who for different reasons find the pact to be a sellout to British rule; and finally the constitutional republicans who contend that the Agreement represents a just compromise and a promising hope for reconciliation between two seemingly antagonistic traditions.

This study does not intend to examine the rights and wrongs of the claims of each party in the drama, which since 1969 has witnessed the death of over 2,500 souls and injured thousands more.(3) Perhaps too much has been published on both sides of the Atlantic trying to determine from centuries of history "who shot first" and then conclude whether the Union Jack or whether the Irish tricolor should fly over the six counties. Examining the Northern Ireland situation from a partisan perspective can be, and is, difficult, even from North America where many have kinship with one of the two traditions (including this author). This particular study will attempt to analyze the contrasting intellectual and ideological underpinnings of the Ulster Protestant community's unionism in juxtaposition with the "Irish nationalism" of the pro-republican Roman Catholic movements, with special regard to the recent Anglo-Irish Agreement on Northern Ireland, the fact that both Britain and Ireland are committed to political integration under the agreements relating to West European union, and the increasing role of Marxist-Leninist and leftist forces amongst the

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activists responsible for violence in Northern Ireland.

November 12, 1985, British Prime Minister Margaret Thatcher and then Irish Prime Minister Garret Fitzgerald held their historic meeting at Hillsborough Castle, County Down, Northern Ireland, to determine the troubled province's fate. Unlike previous summits, which had become an institutionalized function between the two heads of government in the 1980s, this meeting produced a treaty which would grant the Republic of Ireland a "role" in governing the six counties. Before the ink was barely dry James Molyneaux's Ulster (Official) Unionist Party and Rev. Ian Paisley's more militant Democratic Unionist Party had agreed to put aside their differences and hold joint proest rallies, and to cooperate in a Westminster seat by-election and local council boycotts. The Provisional IRA along with other republican paramilitary groups have carried out a new campaign of assassinating police officers, while loyalist paramilitaries have been content to attack their homes; all terrorist groups attempting to make the province ungovernable. The constitutional republican Social Democratic and Labour Party (SDLP) claimed credit for the Hillsborough Accord as a fruit of their New Ireland Forum report. Only the centrist co-confessional Alliance Party added their support to the agreement. What does the agreement spell out and why has each side reacted to the agreement as they have? What issues are at stake? To this end the legalities of the accord itself, and its conflicting interpretations by the parties involved, and more especially the true nature, objectives and goals of the leaders of these parties need to be examined in the context of Ulster's recent political history.

II. The Agreement

The text of the agreement is not long — some sixteen pages, divided into 13 articles. Optimistic rhetoric characterized the two government's joint communique, an example being one paragraph calling for joint action as "partners in the European Community to recognize the need for continuing efforts to reconcile and to acknowledge the rights of the two major traditions (Unionist and Nationalist) that exist in Ireland . . ." and "Reaffirming their commitment to a society in Northern Ireland in which all may live in peace, free from discrimination and intolerance, and with the opportunity for both communi-

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ties to participate fully in the structures and processes of government." With these lofty declarations the agreement covers matters from the province's status to interparliamentary relations.

Article 1 deals with the "status" of Northern Ireland; a legal term which Unionists find to be vague. Article 1(a) states that the two governments "affirm that any change" in the province's status "would only come about with the consent of a majority of people . . ." Article 1(c) in turn binds future British and Irish governments to introducing "legislation to give effect" to the wish of a future majority wanting "a united Ireland . . ."

It is Articles 2, 3, and 4, dealing with the establishment of a new political structure, the Anglo-Irish Intergovernmental Conference, which has caused the most criticism from Unionists. The conference is an outgrowth of the Anglo-Irish Intergovernmental Council, set up in 1981 as a body composed of leading officials of both governments to discuss matters of common interest regarding Northern Ireland. The North American press have given the impression that the agreement defines Dublin's role in regards to Ulster as being that of a consultant. Article 2(b) however specifies that the Republic's role goes much further:

> The United Kingdom Government accept that the Irish Government will put forward views and proposals on matters relating to Northern Ireland within the field of activity of the Conference in so far as those matters are not the responsibility of a devolved administration in Northern Ireland. In the interest of promoting peace and stability, determined efforts shall be made through the Conference to resolve any differences.

Matters to be negotiated regarding the future governance of Northern Ireland via the Conference are listed in Article 2(b)—: (i) political matters; (ii) security and related matters; (iii) legal matters, including the administration of justice; and (iv) the promotion of cross-border co-operation. Article 3 establishes the Conference's framework of meetings which may be at Ministerial or official level or as in sub-groups. "When the Conference meets at Ministerial level an Irish Minister designated as the Permanent Irish Ministerial Representative and the Secretary of State for Northern Ireland shall be joint chairmen." Article 4(b) specifies that any devolution of powers

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to a Northern Ireland Assembly would involve "co-operation of constitutional representatives within Northern Ireland of both traditions there."

Articles 5 and 6 cover the political matters to be dealt with at conference level. It includes not only provisions concerning "human rights and to prevent discrimination," but also parochial matters of "electoral arrangements" and "the use of flags and emblems" (Article 5(a)). Article 6 specifically grants the Republic the right to "put forward views and proposals on the role and composition of (Northern Ireland government) bodies . . ." such as the Standing Advisory Commission on Human Rights; the Fair Employment Agency; the Equal Opportunities Commission; the Police Authority for Northern Ireland; and the Police Complaints Board.

As stated in Article 7(b), on security and related matters the Conference shall "address policy issues, serious incidents and forthcoming events." This may sound innocent but many unionists sense a sinister purpose behind the clause. Article 7(c) sets out a policy aimed at improving "relations between the security forces (the British Army and the provinces' police force, the Royal Ulster Constabulary) and the community," with the object in particular of making the security forces more readily acceptable to the pro-republican Catholic community. Article 8, dealing with legal matters and the administration of justice, provides for procedure regarding the question of suspected terrorists and the setting up of "mixed courts," that is to say, courts which for certain types of cases would have both British and Irish judges.

Articles 9 and 10 are concerned with cross-border co-operation on security, economic, social and cultural matters. Article 9(a) states that the Conference "shall set in hand a programme of work to be undertaken" by top policemen in both Irelands "in such areas as threat assessments, exchange of information . . ." and other significant matters relating to law enforcement. Article 10 calls for co-operation between both governments in the economic and social spheres, especially for areas "which have suffered most severely" from the "troubles."

Article 11 calls for a mandatory review of the A-I Intergovernmental Conference every three years or "earlier if requested by either Government." Article 12, dealing with interparliamentary relations, affirms that the two governments shall

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"support as appropriate" the establishment of a joint Anglo-Irish parliamentary body made up of members of the parliaments of each nation. The final Article 13 simply specifies that the agreement enters into force when each government notifies the other of their acceptances.

The Anglo-Irish or Hillsborough Agreement or Accord has the status of a treaty which Queens University (Belfast) law professor Geoffrey Hornsey defines as falling into the type of treaty as an "agreement between governments." In regards to United Kingdom legalities Professor Hornsey further notes that "a treaty is not part of law" until "Parliament enacts legislation giving effect to it . . .(4) When the British Parliament on November 27, 1985, voted (473 votes to 37) to approve the agreement it was passing a resolution, not enabling legislation, which only makes the agreement "nothing more than government policy" according to another lawyer.(5)

Official Unionist Party Leader James Molyneaux commented, quoting from an article written by two other professors of law, ". . . that the Agreement is not drafted in the precise language of constitutional lawyers but in the flexible language of politicians," in that "almost everything (as to what the Agreement will develop into) has been left open."(6) Before proceeding to examine the cases put by the unionist plaintiffs and the republican defendants as to what they wish and think the Agreement should and/or will develop into, this study will next establish some of the circumstances which led to these disputes.

III. Background to the Situation

a.) The "Unionists" and the "Nationalists"

Few people in the Northern Ireland of the immediate post-World War II period ever would have guessed that their province would become one the world's bywords for terrorism, but the nightmarish situation of the 1970s did not happen overnight. One could trace the origins of the conflict from the Norman invasion in the Twelfth Century. The Protestants of Ulster came as settlers from Scotland and England under King James I in 1607. The Roman Catholics regard themselves as the heirs of the ancient Gaelic culture and of Roman Christianity. It is common for many outside observers to characterize Ulster's

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problems as a religious version of the Hatfields and the McCoys, but while religion was, and still is, a key factor each community's historical development there is also a much broader cultural and – more recently – political cleavage. Each community attends its own churches and schools, patronizes its own pubs and shops, joins its own respective social clubs and fraternal societies (i.e., the Orange and the Hibernian orders), and observes different days in the calender for marches and parades. Even sporting activies differ, with the Protestants playing standard English games like rugby and cricket and the Catholics playing Gaelic football and hurling.

By the mid-nineteenth century the distinct political traditions of the two communities, Protestant and Catholic(7) were articulated by organized political parties, and by the early twentieth century both sides had formed paramilitary organizations. The Catholic Irish nationalists wished for an Ireland eventually independent from all British political control, a goal in direct conflict with unionist intentions to maintain Ireland's place in the union with Great Britain since 1801. In 1921 the British government of David Lloyd-George settled for the time being the irreconcilable demands of the two factions by partitioning the island into a twenty-six county Irish Free State with an overwhelming Roman Catholic majority, and a six county Northern Ireland, which had a two-thirds Protestant majority was made into a province of the United Kingdom with its own elected parliament.

A split resulting in a civil war occurred within the Irish Free State over whether or not to accept the partition; but neither side within Northern Ireland were totally satisfied with the arrangement. The unionists initially did not want a state of their own. They wanted Ireland to be governed from Westminster in the same manner as the rest of the United Kingdom, but given the circumstances they acquiesced. If unionists were only reluctantly satisfied, the pro-republican Nationalist Party in the six counties of the North rejected the partition as an illegitimate gerrymander, claiming that Ulstermen should vote in an all-Ireland election along with the Irishmen of the twenty-six other counties. Partition was seen as a rebuff to the democratic wishes of all of the Irish people. Until 1972 Northern Ireland elections always provided a sure victory for the Protestant Ulster Unionist Party, given the Protestant majority population, while the

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Catholics showed their noncompliance by refusing to accept the title of "Her Majesty's Loyal Opposition."

Traditional Irish nationalism was, at least by modern standards, socially conservative, or "bourgeois" to use Marxist terms. There was, however, at the turn of the century a socialist element in the movement through the "Catholic-Marxist" James Connolly.(8) But in the 1960s, Celtic nationalism, mainly in the six counties, began to be supplanted bya a left-wing international socialist outlook, and this ethos constituted a major influence in formulating the Hillsborough Accord.

There is a significant aspect of the new socialism, according to unionist historian Clifford Smyth, which was already present in the nationalist movement in Catholic Ireland prior to the present century: namely an understanding of "democracy" fundamentally different from that understood by unionists. "Unionist democratic concepts derive from the Protestant Reformation and the settlement of 1688 (The Glorious Revolution) . . .", Smyth explained to a committee of elected unionist officials. "They are a secular expression of the theological doctrine of private judgement. Irish Nationalist democratic concepts are essentially unBritish. They are continental, having their roots in the Enlightment and the French Revolution."(9) Irish nationalism was one of the many nationalisms which grew out of the third world of the revolutionary slogan 'fraternité.' To American historian Billington this meant the creation "of a new nation of cultural brotherhood,"(10) and to the Irish this came to involve a sense of loyalty amongst all who saw the Gaelic past as a rallying symbol of opposition to the English ruling class. Thus the influence of the French and subsequent continental revolutions helped mold the Catholic and Gaelic nationalists alike into a revolutionary frame of thought. Smyth further elaborated on the Nineteenth Century development of Irish nationalist democratic thought and mentioned a contemporary example to illustrate his point:

> The medium was the United Irishmen and, later Daniel O'Connell. This whole process of developing a democratic concept which is essentially continental in flavour is symbolic in the Tricolour, which was the flag presented to Thomas Meagher by the Parisian revolutionaries in 1848. So the Union flag and the Tricolour actually meant something. They stand for different concepts of nationhood

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and democracy . . .

> Therefore there are two perceptions of democracy in Ulster. To illustrate this I want you to look at what Seamus Mallon (the Deputy Leader of the SDLP) said following the Loyalist protest . . . at Maryfield last week. He referred to what he called marching Fascist feet.
>
> . . . He (Mallon) saw this manifestation of Fascism because he does not share the same concept of democracy as that of the Loyalist or Unionist in that crowd.(11)

Smyth went on to tell his fellow Unionist listeners that because Irish Roman Catholic Bishop Cahal Daly did not rebuke Mallon the bishop must also believe in the "continental concept of democracy," indicating that even Ulster's Roman Catholic clergy perhaps think the same as the Catholic lay politicians do. This may seem ironical considering the extreme anti-clerical nature of the French Revolution, but is not so surprising when one contrasts the conservatism of 18th Century French Catholicism with the trendy political activism of contemporary Jesuits and other branches of the Catholic church.

It is this "continental" understanding of democracy that, according to Smyth, is and still is at the root of "nationalist" understanding of the partition. Today's constitutional Nationalists in their offical statements condemn the partition as being the cause of violence in the six counties because the division is "unjust" and was "contrary to the desire of the great majority of Irish people for the political unity and sovereignty of Ireland as expressed in the last all-Ireland election of 1918."(12)

While the old Irish nationalists did obtain some ideological underpinnings from the anti-clerical French Revolution much of their social attitudes (the word "attitude" is preferred to "policy" because the Nationalist Party did not clearly enunciate a social policy) came from the traditional social doctrines of the Roman Catholic Church as contained in Papal Encyclicals. The Daniel O'Connell, Smyth spoke about, was the founder of the old party in the 1850s and was a devout Roman Catholic (Marxist historians describe O'Connell as a "bourgeois nationalist).(13) In its 120 year history the old party was often organized at local level by the parish priest and party meetings were often held in church halls. But come the 1960s the Nationalist Party's lack of a coherent social program for a nationalist com-

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munity more educated and more urbanized and having economic problems led critics to describe the old party as being made up of "Green Tories."(14) As times were a changing, to paraphrase singer Bob Dylan, Irish nationalism went through a process which imbued it with socialist and internationalist ideals. Irish 'nationalist leaders became increasingly sympathetic with social as much as they were concerned with national revolution, 'egalité' was added to its old call for 'fraternité.'

It was common in the late sixties and early seventies for British academics and journalists to portray the upheavals in the Catholic community as a process where the anti-partition nationalism of the past was declining in its appeal in favor of leftism. It is a mistake to downplay the popular aspirations for Irish unity among the Catholic minority in Ulster, but during the 1960s, socialism was an ideology aptly described by Oxford Professor of Modern History Norman Stone, as being "hard to resist" in most centers of advanced learning throughout the western world in the 1960s. Irish Catholics, north and south alike, were no exception to the trend. In the parochial high schools history had always been taught from the Irish nationalist outlook, the partition and the Unionist government were seen as illegitimate. Thus when many young Catholics reached university socialist analyses of political economy, in whatever shade, were not only "hard to resist" but gave a new meaning to the old cause, in line with the concept of socialist-inspired "wars of national liberation" where the nationalists were taught to think of themselves as a downtrodden, subjugated class dominated by alien capitalists. While this new Marxist interpretation still purported to sympathize with the traditional desire for a united Ireland, in the words of Bernadette Devlin, the most well-known of the rising breed of young Catholic socialists, the new nationalism was really "an integral part of the (international) working class movement."(15)

Come the 1970s Socialism manifested itself in two streams in the Catholic and republican community in Northern Ireland, a.) a Marxist one, which advocated violence, and b.) the constitutional, which presented itself as a respectable political party.

The Irish Republican Army after its failed border campaign of the late 1950s adapted a Stalinist interpretation of the Irish problem; Northern Ireland was a "colony" of British capitalist imperialism, in which the religious issue was allegedly used

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to keep the working classes divided.(16) The solution, according to the new IRA leadership, was not violence but a campaign of nonsectarian and non-violent political education and activism. Many IRA members channelled this effort into a movement promoting minority grievances which is broadly known as the civil rights movement.

The non-violent civil disobedience campaigns of civil rights activists led to violent clashes with the police and Protestant counter-demonstrators. When large and destructive riots occurred in Ulster's major cities in the summer of 1969 Belfast IRA members were inspired to split from the Dublin command in the autumn of that year to form the Provisional IRA (PIRA) as distinct from the Official IRA, and since then have carried out an "armed struggle" which reached a peak in the early 1970s. At first the 'Provos' professed a vague goal of a "democratic socialist" united Ireland, and their rhetoric was mixed with some traditional nationalist slogans. But by the late 1970s PIRA goals and ideology crept more overtly towards a doctrinaire MarxistLeninist bent, until a British Marxist could claim that "it is hard to refute the proposition that there is no organization in Western Europe as far to the left as the Provisionals which can still boast of their kind of mass support."(17) One Provisional leader was quoted in an Italian Marxist publication as openly saying that IRA aims were to turn Ireland into "a Democratic Socialist Republic, something 'Third Worldish,' a bit like 'Allende's Chile' . . . similar to communism but not exactly like it . . . "Marxist in analysis" if not necessarily in practice, designed to "control the means of production and distribution."(18)

Even more radical is the Trotskyite Irish National Liberation Army (INLA) which gained media attention after the murder of Airey Neave and Lord Mountbatten. This organization was formed by a renegade Official IRA assistant chief of staff, Seamus Costello. All in all, republican paramilitaries profess an extreme socialism and have connections with other left-wing terrorist organizations the world over. Their terrorist campaigns are not only against the "colonialist" regime in Northern Ireland but also what they term the "Quisling" regime in Dublin; ". . . a revolution in Ireland could have incalculable consequences in disturbing the United Kingdom and, considering the crisis of Western capitalism, in all Europe.", according

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to former student activist and Trotskyite Michael Farell.(19)

The socialist republicans and the armalites officially oppose the Agreement as a device which "formalizes the partition." At the same time one top member of the PIRA's political wing Sinn Fein (pronounced "Shin Fain" – Gaelic for "ourselves alone") has boasted that the "bartering power" of the constitutional nationalists who initiated the process which led to the Agreement, "flows from IRA firepower."(20) John Hume, the leader of the constitutional nationalist Social Democratic and Labour Party (SDLP) has called IRA claims "shilly-shalling"(21) and has praised the Agreement in that "for the first time there had been a real framework within which to address the problem of a deeply divided society."(22) Hume's comments are not surprising since the Agreement appears to represent many of the ideals which his party have advocated in its short history and most recently in the New Ireland Forum.

The SDLP, as the democratic stream of the new movement was preceded by the Northern Ireland Civil Rights Association (NICRA), which along with the more radical Peoples Democracy (PD), spearheaded the demonstrations of the late 1960s. The NICRA was a broad coalition of active republicans including members of the IRA, trade unionists, Communists, Catholic socialists and even some liberal and socialist Protestants. At first NICRA did not purport to be a political party, its marches and demonstrations never openly called for the unification of Ireland but rather was on the surface concerned about Catholic grievances against the Unionist Government, whether real or imagined.(23) The new party was founded in the summer of 1970 by seven members of the Northern Ireland Parliament who were active in civil rights campaigns. They included the present leader John Hume and two other independent MPs Paddy O'Hanlon, and Ivan Cooper. The other four were Gerry Fitt (now Lord Fitt and then a Republican Labour MP who was the first leader of the SDLP until 1979), Paddy Devlin (then a Northern Ireland Labour MP), Austin Currie (then a Nationalist MP) and Paddy Wilson (a Republican Labour member of the upper house). By 1973 the SDLP emerged from a small fledgling movement to replacing the Nationalist Party as the chief political representative of Northern Ireland's Irish republican nationalist community.

Unlike the old party the new party firmly established a left-

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wing ideological position. Objective number one of Clause Two in its constitution is "To organise and maintain in Northern Ireland a Socialist Party." The constitution specifically spells out the party's goals, of contesting elections "with a view to forming a Government which will implement . . . a.) The abolition of all forms of religious, political, class or sex discrimination; the promotion of culture and the arts with a special responsibility to cherish and develop all aspects of our native (Irish) culture . . . b.) The public ownership and democratic control of such essential industries and services as the common good requires . . . and c). The utilisation of its powers by the State, when and where necessary, to provide employment, by the establishment of publicly owned industries." Essentially the goals are a clear reflection of the universalist (goal a) and the socialist (goals b and c) of the new face of Irish republicanism. The SDLP is a member of the Socialist International and the Confederation of Socialist Parties of the European Community, which is consistent with its objective of co-operationg "with other Socialist Democratic Parties on an international level." Also in this regard the SDLP is a strong supporter of the European Economic Community.(24)

The SDLP also differs from the old nationalist movement in that it is officially non-sectarian. It has on occasion run Protestant candidates, but in practice the party is predominately Catholic in its leadership and background (John Hume is a former priesthood candidate). Like the old party, it recruits support from among those who object to the partition of Ireland, but unlike the old Nationalists, and especially unlike the PIRA, the SDLP differs in the proposed solution. In Clause Two of its Party Constitution states as an objective "To promote the cause of Irish unity freely negotiated and agreed to by the people of the North and by the people of the South . . ." In so wishing to achieve unity by consent it is willing to work with and within British institutions and this has caused it to be labelled "accommodationist" by the IRA and its allies.(25)

Not all those who support the SDLP are fully committed to its socialist proclamations. Writing some six years after its founding, Richard Rose commented that "the socialist label is not universally accepted within the party; the lengthy compound name of the SDLP provides an umbrella under which people with a variety of economic views can accommo-

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date."(26) Its first leader Gerry Fitt ended up resigning not only as leader but also as a party member partly because he perceived that it was becoming less socialist and more 'green Nationalist.' Clearly there are older Irish republicans who are still not committed to socialism, but the leadership is. Indeed, the new leader Hume hotly denied any such tendencies. When recently asked by an American interviewer about "differences" within the SDLP between those who "adhere to a strict nationalist line — the 'Greens' — and those who do not" the party's General-Secretary Alban Maginess replied that the "SDP is a united political party" and that any differences were "manufactured by the press."(27)

While the SDLP espouses the concept of unity by consent it also rejects the status quo, namely the "injustices" arising from partition, a contention of continuing Unionist political domination; therefore the new party has always advocated radical constitutional changes to 'legally establish the equal validity of both traditions.' In the early 1970s the party produced a position paper, "Towards a New Ireland," which called for a.) joint London/Dublin sovereignty over Ulster, b.) a provincial legislative assemply whose laws could be vetoed by commissioners appointed by the two governments, and c.) power-sharing executive elected by the assembly. Power sharing by unionists and republicans in whatever form, plus the "Irish dimension" (a role for the Irish Republic) concept have consistently been SDLP policy for Northern Ireland's constitutional development, and as we shall see, these principles were embodied into the New Ireland Forum Report and the Hillsborough Agreement.

While the contemporary politics of the republicans in Ulster resembles something of the "Quiet Revolution" of their co-religionists in French-Canada the contemporary politics of the unionists almost resemble those of their co-religionists in South Africa. From the turn of the century to the late 1960s the Protestant community stood united behind the Ulster (Official) Unionist Party. When the Unionist governments of Prime Ministers Capt. Terrence O'Neill, Maj. James Chichester-Clark and Brian Faulkner attempted to accomodate the demands generated by the new breed of 'nationalists,' as well as pressure from London, the unionists inside and outside the established party split into 'verligtes' and 'verkramptes.' The first crack on the unionist right came with Ian Paisley's splinter

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Protestant Unionist Party, renamed Democratic Unionist Party (DUP). Within the established party, right-wing disgust with the leadership was expressed by organizations like Ulster Vanguard, which eventually formed another new party and then rejoined the official party in 1978 when the accommodatist leader Brian Faulkner was ousted. Many supporters of the accommodatist(28) policies joined the new co-confessional Alliance Party and the short-lived Unionist Party of Northern Ireland. From the late 1970s and into the 1980s the Official and Democratic Unionist parties emerged as the two major political contenders in a tug of war for the support of the Protestant electorate.

The cause of maintaining Northern Ireland's place in the United Kingdom is the major reason for the existence of both unionist parties. "The Republic of Ireland simply is not our country," said the then Official Unionist General Secretary Frank Millar to an American interviewer. "We have never identified with it socially, politically or culturally. Our links are British. We are as British as the people you find in England, Scotland or Wales."(29) Moreover the unionists regard the Republic of Ireland as a hostile state because of Articles 2 and 3 in its 1937 Constitution.(30) Two constitutional lawyers have observed that because of the said articles ". . . the Republic has asserted a formal, though not a practical, claim to exercise jurisdiction over Northern Ireland . . .", which unionists regard "as a direct denial of the legitimacy of Northern Ireland"(31) on the Republic's part.

While Mr. Millar's comments represent the sentiments of all unionists there are differences between and within the parties on how Northern Ireland is to remain British. Official Unionists are generally divided between those who favor total integration into the United Kingdom, an option which would mean that Northern Ireland would be governed from Westminister in the same manner as Scotland and Wales, and those who favor some form of devolution. In 1984 a group of Official Unionist members of the Province's Assembly drew up a position paper called "The Way Forward" which proposes a scheme for a devolved provincial assembly which would be an "administrative" body rather than an executive or a legislative body. The Democratic Unionists at present oppose the former option, and have advocated devolution by majority rule but with the

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opposition being given a high profile role in legislative committees.(32) Their most recent position on a devolution was expressed in a 1984 policy paper entitled "Ulster: The Future Assured," where they expressed a willingness to abandon their earlier majority rule concept.

Both parties have been united in opposing the SDLP policy of power sharing and the Irish dimension which are both perceived as being moves to deliver Northern Ireland into the Republic. The latter, in particular, is perceived as an infringement of Northern Ireland's sovereign position in the United Kingdom. Moreover, unionists, of whatever party, are generally opposed to any measure which would undermine the sovereignty of the whole of the United Kingdom. Individually and in party pronouncements the unionists have shown themselves to be true *British* nationalists in that they have also argued against British membership in the European Economic Community which , one observed, "has been a disaster for Northern Ireland industry and agriculture and which has led to unacceptable interference in Northern Ireland affairs."(33) Much of these concerns have been expressed in Unionist opposition to the Anglo-Irish Agreement.

On socio-economic matters, neither party accepts socialism. Official Unionist MP Rev. Martin Smyth said in an interview with this author, in response to a question on political philosophy, that he defines himself as "a Christian capitalist" who does not "accept the philosophy of socialism" and who questions "whether the concept of socialism/communism really can meet the needs of mankind."(34) Richard Rose sarcastically notes that Official Unionist free enterprise views do not prevent them from welcoming "government assistance in the form of British treasury subsidies for everything from Ulster shipyards to Ulster Pig farms."(35) But unionists see subsidies as a temporary necessity forced upon them by the prevailing disruptive situation. Rose also noted that Enoch Powell joined the Official unionists for its Britishness and has been attacked by some unionists for advocating the withdrawal of subsidies. The Democratic Unionists profess to "have a social conscience (accepting the existence of state and welfare services)" but also profess that they are not a socialist party.(36) Both unionist parties appear to steer a middle ground in left-right socio-economic issues.

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This is not to indicate that all Protestant movements that purport to favor the union with Britain are non-socialist. There is a pro-union Northern Ireland Labour Party (NILP) which has been closely linked with the British Labour Party and is also a member of the Socialist International. But the NILP's electoral successes have been marginal and support has dwindled to a mere handful of supporters. Nevertheless, some socialist activists seek to operate amongst Protestant unionists, and even the loyalist paramilitaries who support the idea of an independent Ulster as an option, like the Ulster Defence Association (UDA), are said to have some Marxists within their leadership and ranks.(37)

In summary the differences between Catholic and Protestant, unionist and republican, is much deeper than flags, flutes and drums. The republican leadership, which now supports socialism and internationalism, has produced a new set of policies for Northern Ireland which are internationalist or supra-nationalist, and go beyond traditional ideas of state sovereignty. The unionists have for the most part maintained their traditional view of state sovereignty which their opposition to the Agreement will reveal.

b.) Sunningdale to Hillsborough

The Unionist controlled Northern Ireland Parliament (often called Stormont, the name of the park where it is located outside Belfast), came to an end in March 24, 1972, when British Prime Minister Edward Heath announced the beginning of direct rule. Since then Northern Ireland has been governed directly from London; legislative power is by Orders-in-Council by the British Cabinet, the content of which is often drawn up by the Northern Ireland Office, and executive power is held by a Secretary of State for Northern Ireland and several junior ministers, all of which are British MPs.

The British government decision to close Stormont was welcomed by the constitutional republicans as a "clear" acknowledgement by the British Government of the "failure of the arrangements" (the partition of 1920). Historian Clifford Smyth interpreted the imposition of direct rule as being where the British Government accepted "the Irish Nationalist analysis of the present situation."(37) Citing 1972 as a crucial year Smyth also contends that "the British and Irish Governments have been engaged in the task of uprooting the British reformed

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concept of democracy and supplanting it with the Irish Nationalist and continental concept of democracy."(38)

Smyth is referring to the many attempts of successive British Governments, Labour and Conservative, to solve the Northern Ireland dilemma by experiments in Unionist/Nationalist power sharing. This concept, as well as the Irish dimension, was the solution the SDLP advocated in "Towards a New Ireland," According to a paper by Mr. Simon Murphy of the Department of Political Science, University College of Wales, Aberystwyth, the concept of power-sharing did not originate with the British Government but rather with the major Fine Gael Party in the Republic of Ireland, which was accepted by the other major party Fainna Fail (Gaelic for 'Soldiers of Destiny'), "and then pressure was applied so that the British Government accepted" it as the "way forward."(40) This power-sharing aspect was embodied in the Northern Ireland Constitution Act of 1973 which paved the way for the Sunningdale Agreement of 1974.

The 1973 Act provided for the election of a new Northern Ireland Assembly. In November of that year the Offical Unionist leader Brian Faulkner alone with the Alliance and SDLP leadership reached an agreement on a power-sharing executive. This agreement, as well as other aspects including the Irish dimension concept, was formalized at a joint conference between the Irish and British Governments and the three parties held at the Sunningdale (Berkshire) Civil Service College. The political structure was to include a Council for Ireland consisting of a Council of Ministers made up of seven ministers from Westminster, Dublin and Stormont, this body would make decisions on certain matters. Balancing this would have been a legislative tier of members of the three parliaments.(41) Unlike the present Hillsborough Agreement Sunningdale was more specific on political structures, but the proposed formal conference to sign the Agreement was never held due to its rejection by most Unionists which climaxed in the 14-day strike in May, 1974, witnessing the resignation of the executive's Unionist members and hence its collapse.

Also in 1974 the Heath Conservatives lost to Wilson's Labour Party and the new secretary of State Merlyn Rees set about with a new initative, the Constitutional Convention which would allow the parties within Ulster to work out any agreed structure save one of Unionist majority rule. Delegates for this

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were elected by Proportional Representation (PR-42) in May of 1975. The three Unionist parties (Offical, Vanguard and Democratic) under the United Ulster Unionist Council umbrella ended up electing most delegates from the Protestant community while the SDLP ended up electing most delegates from the Catholic community. By March 1976 the Convention ended its proceedings without any progress.

In 1980 the one year old Conservative government of Margaret Thatcher initiated a round table conference (known as the "Atkins talks" after the then Secretary of State for Northern Ireland Humphrey Atkins) of the Northern Ireland parties. Only the Official Unionist declined to participate. At first the British Government did not put forward any proposals as the three parties agreed to have devolved government but each party did not move an inch in their positions; the SDLP and Alliance demanded power-sharing while the Democratic Unionists stuck to an idea of majority rule with a high-profile role for the opposition parties. Eventually the British Government issued a white paper "Government of Northern Ireland: Proposals for Further Discussion" which suggested two options, a.) a power-sharing executive, and b.) a check and balance bicameral legislature. Again, neither side could agree, the DUP found option one unacceptable while the SDLP scuppered option two.

As the Atkins talks broke down due to the on-going deadlock between the Northern Ireland parties, the Thatcher Government started on May 21, 1980 and December 8, 1980, a series of yearly summit meetings between the British and Irish Prime Ministers along with the relevant cabinet ministers. The first communique issued by Mrs. Thatcher and then Irish Prime Minister (called Taoiseach in Gaelic) Charles Haughey noted that the two heads of government were satisfied by "the useful exchange . . . leading to new and closer co-operation" in many cross border matters.(43) More importantly in regards to Northern Ireland the two governments "commissioned joint studies covering a range of issues including possible new institutional structures" and other relevant concerns.(44)

It was at the next summit, in London, Novmeber 6, 1981, now with Garret Fitzgerald as Taoiseach, that the Anglo-Irish Intergovernmental Council, the proposal of the joint study groups, was formally launched. The joint communiqué of this

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summit referred to the new Council as an instrument to give "institutional expression" of the "relationship . . . between the two Governments."(45) The communique went on to read that the Council would "involve regular meetings between the two Governments at ministerial and official levels to discuss matters of common concern . . ." and in the future "consider at an appropriate time whether there should be an Anglo-Irish body at parliamentary level comprising of members to be drawn from the British and Irish Parliaments, the European Parliament and any elected Assembly that may be established for Northern Ireland."(46)

At this stage the activities of the Anglo-Irish joint governmental bodies were not engaged in any direct governing function but the secrecy in the four years between the London and the Hillsborough summits were enough to rouse unionist suspicions. A report compiled by elected officials of both unionist parties noted that a total of sixty meetings at ministerial level took place between the two governments in the period of November 6, 1981 to November 15, 1985, and the fact that after 1983 "no information has been given as to the subject matter of the meetings, and Her Majesty's Government has declined to answer repeated questions about meetings at offical level."(47) The unionists can only conclude that "secrecy in this matter is not in the public interest and has contributed significantly to the general lack of confidence in the intentions of Her Majesty's Government which existed even prior to the Agreement of 15 November, 1985."(48)

In the 1981-1985 period there were events which temporarily hurt the relations between the British and Irish Governments, namely Dublin's refusal to support EEC sanctions against Argentina during the Falklands War. In late 1982, and against the protests from Dublin, then Secretary of State James Prior initated a "rolling devolution" scheme, creating a new Northern Ireland Assembly with a.) powers to scrutinize the Province's Westminister-run civil service and offer suggestions on the Province's Orders in Council legislation, and b.) to be a possible body for more devolved government for the Province. The Democratic Unionists welcomed the scheme as a fine chance to obtain devolution, but the Official Unionists were more skeptical in that it could become the parliamentary tier of an Anglo-Irish executive body. The Alliance were the most

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enthusiastic of the parties for the Prior proosals. While the SDLP ran candidates they boycotted the Assembly's proceedings on the grounds that there was not enough in the proposals to ensure power-sharing and the Irish dimension. As of June, 1986, the Assembly was dissolved.

From direct rule to the Hillsborough Agreement the British Government, either unilaterally or with the aid of the Irish Government, attempted one solution after another for Northern Ireland. Either consciously or unconsciously, London has based its Northern Ireland proposals on Irish republican preconceptions of the problem, that the partition is the source. On the one hand Northern Ireland is still a part of the United Kingdom, as long as the majority wishes it to be, but any permanent constitutional solution must involve acceptance by both communities for the burden of direct rule to end. Neither side can come to an agreement given the fact that unionists hold and have held to their traditional views about the necessity of the partition and of state sovereignty, and that the SDLP holds and has held to the republican view of the partition along with its internationalist "Irish dimension" proposals for remedy. Therefore the British Government restorted to joint actions with the Irish Government to remedy the impasse resulting with the Agreement. As well as the Anglo-Irish joint studies there was another process which aided in giving some basis for Hillsborough, and this stemmed from the findings and policy proposals of the SDLP initiated New Ireland Forum.

IV. The New Ireland Forum

a.) The Participants and the Circumstances

During the year between the first two summits the PIRA and its allies launched a new campaign of violence centering around the demands for its members in Long Kesh prison (also known as the 'Maze'). Convicted terrorists such as Bobby Sands and Francis Hughes went on hunger strikes demanding that they should be granted prisoner-of-war status.(49) The events surrounding the hunger strike brought the PIRA's political wing Sinn Fein into the forefront of Northern Ireland electoral politics.(50) The SDLP fearing the consequences of growing support for Sinn Fein's "bullets and ballots" campaign, turned

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to a new political program to maintain the initative. In collaboration with the three major parties in the Republic of Ireland SDLP leader Hume launched the Forum for a New Ireland in Dublin on May 30th, 1983, culminating in its final report on May 2nd, 1984.

The Forum's reports constitute not only the policy of the SDLP but that of the government and opposition parties of the Irish republic, which according to the final report represented at that time "over ninety percent of the nationalist population and almost three-quarters of the entire population of Ireland."(51) The report laments that the unionist parties chose not to participate, but it claims that submissions were heard from "people of all traditions who reject violence," including individuals not only from both parts of Ireland, but also Britain, America, France, Belgium and Canada. In addition to publishing the final report, which summarized the findings and proposed solutions, the Irish Government has also published Forum reports which analyzed in detail different aspects of Ireland's problems, such as economic and legal systems.(52)

At the time of the Forum the Irish Republic was ruled by a coalition government of Dr. Garret Fitzgerald's Fine Gael Party and Dick Spring's Irish Labour Party. In opposition was Charles Haughey's Fianna Fail Party. As of the February 19, 1987 election Fianna Fail formed a minority government. Fine Gael is the descendant of the pro-partition nationalists, while Fianna Fail originated in the anti-partition faction of the 1920s. The differences between Fianna Fail and Fine Gael in socio-economic policies was described as "Tweedledum versus Tweedledee," by former Fianna Fail cabinet minister, Desmond O'Malley. Each party, O'Malley noted, proposes and then opposes policies "irrespective of the intrinsic merits of most arguements."(53) According to a booklet published by O'Malley's new free enterprise party, the Progressive Democrats, Irish governments, irrespective of either the Fine Gael or Fianna Fail label, have increased the level of government intervention in the economy on a scale which would "lead outsiders to believe that we were a socialist state."(54)

It should be noted that when Fine Gael has governed since the 1970s (1973-1977, 1981-1982, 1982-1987) it has done so in a coalition with the Irish Labour Party, which helped Fine Gael in acquiring a left-center image. In the recently defeated

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coalition Labour leader Dick Spring was Fitzgerald's Deputy Prime Minister (Tanaiste in Gaelic). The Irish Labour Party like the SDLP is a member of the Socialist International and the Confederation of Socialist Parties of the European Community. It gave support to the SDLP's 1972 proposals and since it has generally maintained close contacts with the SDLP in Ulster. Naturally the Irish Labourites supported the work of the Forum.

Along with their left-wing interventionalist domestic socio-economic policies, Fine Gael-Labour coalitions have generally implemented internationalist foreign policies. A recent Irish Department of Foreign Affairs "Fact Sheet" notes that "(the Republic of) Ireland has always taken a sympathetic interest in the movement towards European unity and was a founder member of the Council of Europe and the Organization for European Economic Cooperation . . ." It comments with pride that the Republic "participates in the formulation and implementation of the European Community's development co-operation policies and programmes." Moreover, the "Fact Sheet" also notes that the Republic's foreign policy embraces an active role in the United Nations in supporting "self-determination for colonized countries," "efforts to reduce international tension . . . and arms limitation . . ."(55) Government posters at Dublin airport and other high profile sites portray the youth of Ireland as "the young Europeans" in an effort to destroy Irish national feeling among the youth and replace it by a more international outlook. The term 'nationalist' is still widely used since it still arouses popular support, particularly among the farmers, but it is the new internationalist emphasis that forms the basis of the analyses and solutions offered in the Forum final report.

b.) The Analysis and Solutions

The first two chapters in the Forum's final report merely introduce the participants and advance a vague goal of developing "common ground"(56) between unionists and republicans. The third chapter states the republican view of what constitutes the origins of the problem, the partition of 1920, which the report refers to as a "failure of the British government to accept the democratically expressed wishes of the Irish people" and hence resulted in the "denial of the right of nationalists in

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the North to political expression of their Irish identity . . ."(57) In his unionist analysis of the Forum report lawyer Peter Smith considers the above analysis to render the report as an "unintellectual, not to say anti-intellectual document" amounting to "political propaganda."(58)

The report rebukes the British Government for only implementing "crisis management" policies (ie. emergency legislation, and consensus building) since 1972, which have only "deepened the sense of alienation of the nationalist population"; nor has London, according to the report, yet given "official recognition of their pro-republican nationalist community's identity nor acceptance of their aspirations."(59) Furthermore the "structures of Northern Ireland are such that nationalists are still discriminated against in social, economic, cultural and political terms. Their representation and influence in the private and public structures of power remain very restricted."(60) Thus it is alleged that:

> Their day-to-day experience reinforces (Irish Catholic) convictions that justice and effective exercise of their rights can only come from a solution which transcends the context of Northern Ireland and which provides institutions with which they can identify.(61)

According to a Young Unionist discussion paper the demands of the constitutional republicans are that such "the protection of fundamental human rights is inseparable from a political solution which would place Northern Ireland outside the United Kingdom."(62)

Chapter 5 of the Forum report contains a summary of what its authors perceive as the realities of the problem, followed by lofty, but vague, general principle of "necessary elements of a framework within which a new Ireland could emerge . . ."(63) Both unionists and republicans "must have" equal "satisfactory, secure and durable, political, administrative and symbolic expression and protection." This is to be achieved by new "structures and institutions including security structures .."(64) To attain such an Ireland the Forum put forward three options; a.) a unitary Irish state, which the report stated "the Forum would wish to see established . . ."(65); b.) a federal/confederal Ireland; and, c.) joint British/Irish authority over Northern Ireland.

"A unitary state," according to the report, "would embrace

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the island of Ireland governed as a single unit under one government and one parliament elected by all the people of the island."(66) Essentially this has been the goal of Irish Nationalism for decades if not centuries. Unlike some past nationalists who would have excluded the Protestant Unionists from the label "Irishmen" the Forum report makes it clear that a unitary state "would require a general and more explicit acknowledgement of a broader and more comprehensive Irish identity" and which would ensure that the "rights of all citizens would be guaranteed in the constitution."(67) Furthermore the report also states that "reinforcing guarantees would incorporate in the constitution the clauses of the European Convention on Human Rights with a right of access to the European Court of Human Rights."(68)

The second option was an Ireland united in a federal or confederal arrangement. This scheme would grant Northern Ireland the status of an autonomous state within a united Ireland, either as a federation, where "residual power would rest with the central government," or as a confederation where "the two states (Northern and southern Ireland) . . . would delegate certain specified powers to a confederal government."(69)

The third option of "joint authority" was a plan advocating "shared rule" and "equal responsibility" for the London and Dublin governments over "all aspects of the government of Northern Ireland."(70) Although London and Dublin could exercise the day-to-day handling of Ulster affairs the report allows for "provision for the exercise of major power by a Locally elected Assembly and Executive."(71) No specific details are given in the final report as to the structures of joint authority but under such an arrangement there would be "political, symbolic and administrative expression of their identity to Northern nationalists without infringing the parallel wish of unionists to maintain and to have full operational expression of their identity."(72) The report also calls for "formal recognition and symbolic expression" of the two identities, a "non-denominational Bill of Rights" and the "overall level of public expenditure would be determined by the two Governments."(73)

Details on the structures of how joint authority would operate are found in a report of a Sub-Committee of the Forum. Under the heading "Formal Establishment and Legal

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Basis" the sub-committee notes that a "binding enforceable agreement or . . . a formal treaty . . . registered with the United Nations"(74) should be the basis at which a joint Anglo-Irish executive for Northern Ireland would operate. Furthermore this would also require enabling legislation from both governments. The executive would exercise its powers and responsibilities for "an unlimited period" unless by agreement the two governments to transfer power to a local assembly, which would operate on terms acceptable to both unionists and nationalists. The executive (termed "Joint Authority Commission" by the report) would be jointly-chaired by two commissioners each appointed by the two governments. A joint Anglo-Irish civil service secretariat would serve in the administrative role and an Anglo-Irish parliamentary body would be the legislative check on the commission. The report covers other matters such as security and citizenship rights as well as the "symbolic issues." Unlike the other two options joint authority would require a new judicial body, "a Constitutional Court . . . in order to interpret and enforce the Treaty or Binding Agreement . . . and to carry out the function of judicial review."(75) Also the Joint Authority Commission would be "responsible for "implementation of all EEC acts or other international regulations" as they relate to Northern Ireland, and furthermore the two chief commissioners along with the Foreign Ministers of both powers would constitute a "special EEC Affairs Committee . . . [to] review EEC matters relating to Northern Ireland and agree how Northern Ireland's best interest would be represented at any particular meeting or vote."(76)

In summary all of the Forum's three options in one way or another reflect the new internationalist outlook which Irish Nationalists acquired since the 1960s. The unitary and federal/confederal state plans both contain a Bill of Rights as well as guarantees from the supranational European Court of Human Rights. The joint authority option calls for the creation of new British/Irish institutions which in turn are to work within the framework of the European Community. The perception of the partition differs little from the old nationalism but the means of solving the problem are, to quote English socialist political analyst Bernard Crick "more humane and realistic . . . than the mysticism of Sinn Fein's 'One island, one Ireland' . . ."(77)

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Crick further praised the recommendations of the Forum in that "sovereignty can be limited, alienated or shared. History is full of examples."(78)

Unlike past nationalists who defined Irishness as distinctly Gaelic and Catholic, the Forum (according to Peter Smith's unionist analysis) "evaded difficulties in defining the Irish nation" causing the Forum to ignore "the reality that unionists are firmly convinced that they are part of a nation (ie., the British nation) separate from the Irish nation."(79) Unionists are recognized as a distinct "tradition" on the island and a new Irish state would "accommodate all the fundamental elements in both traditions."(80) Smith regards the latter as "absurd" but he nonetheless concludes that in fully understanding unionism "it (the Forum report) still remains woefully " since it "completely omits any reference whatsoever to unionism's central plank: that the territory of Northern Ireland should remain united with Great Britain."(82)

c.) The Forum and the Agreement

Peter Smith refers to the Agreement as "the child of the Forum" which is "made crystal clear in the Preamble – and indeed, throughout the Agreement – by repetition of phrases and passages taken from the Forum report."(83) In particular Smith regards terms such as "the two major traditions that exist in Ireland . . ." as perhaps "the clearest sign of the British government's adoption of the Forum . . ."(84) British Prime Minister Thatcher initally rejected the Forum report in her "that is out" remarks to then Prime Minister Fitzgerald at their summit meeting in November 1984. Nonetheless the subsequent joint communique committed the two Governments to "a close and continuing dialogue . . . [within] the framework of the Anglo-Irish Intergovernmental Council" aimed at fostering respect and recognition of "the identities of both the majority and the minority communities in Northern Ireland" and that this "should be . . . reflected in structures and processes of Northern Ireland in ways acceptable to both communities . . ."(85) Thus despite its initial rejection of the Forum report the British Government continued secret negotiations concerning Northern Ireland's government structures with the Forum-committed Dublin government.

The SDLP while supporting the Agreement does "not believe

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that a final settlement of the Irish problem has been reached," meaning that it does not completely embody the solutions as set forth in the Forum report. In this statement, which immediately followed the Hillsborough summit, John Hume went on to comment that "We (the SDLP) do believe that an opportunity has been created by the Agreement in the setting up of a permanent Anglo-Irish institution to make progress towards our goals of peace and reconciliation."(86) This in turn is consistent with the demands of the Forum report which notes that the "Constitutional nationalists fully accept that they alone could not determine the structures of Irish unity and that it is essential to have unionist agreement and participation in devising such structures and in formulating the guarantees they required."(87) The unionists, whether they like it or not, must accept some form of Irish unity, and it is for the British and Irish governments to create the framework and atmosphere within which such negotiations could take place."(87) The Agreement is perceived as being such a framework.

During the negotiations the British Government sought the advice from two professors of law, Kevin Boyle of University College Galway and Tom Hadden of Queens University (Belfast); both are from Northern Ireland, the former Catholic and the latter Protestant. Boyle was once a leader in the radical People's Democracy movement, which had included Bernadette Devlin and Michael Farrell as well. Since the late sixties/early seventies Hadden and Boyle have produced joint studies primarily on the legal aspects of Northern Ireland affairs and were key legal consultants to the New Ireland Forum. Both individuals support the Anglo-Irish Agreement, although Prof. Hadden has expressed reservations to some sections and has urged unionists to demand changes within the framework of accepting the Agreement.

In 1985 Hadden and Boyle produced their own study, "Ireland: A Positive Proposal," a short work containing both a synopsis of the many factors of Northern Ireland's impasse and suggestions for an eventual solution. Professors Boyle and Hadden stress the need for an Anglo-Irish treaty to give equal legal recognition to both communities; the Republic should accept "the legitimacy of Northern Ireland" and Britain should acknowledge "the existence of an Irish community within Northern Ireland . . ."(88) This in turn would, according to the

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two professors, allow the British and Irish Governments to create "new formal structures for co-operation between Northern Ireland and the Republic," which "might include the exercise of joint authority on specified matters on either side of the border of a reciprocal basis" but they also stipualte that such an arrangement would have to avoid "some of the objections to the proposals in the Forum report . . . for the imposition of joint authority by Britain and Ireland on all aspects of the government of Northern Ireland."(89) "Ireland: A Positive Proposal" contains further suggestions on the new formal structures in areas such as security and the administration of justice.

Hadden's and Boyle's solution appears to stop short of the Forum's call for joint authority but it does call on the British Government to formally involve the Republic of Ireland in some role in the governing of Northern Ireland. Both authors admit that their proposals involve a departure from notions of a state possessing exclusive jurisdiction over a given territory. "For more than a hundred years the Irish problem has defeated all those who have sought a solution based on the old concepts of nationalism and exclusive state sovereignty,"(90) the authors conclude. Furthermore Hadden and Boyle advocate that the joint Anglo-Irish intergovernmental institutions are also to be within the context of the "commitments and responsibilities under the Charter of the United Nations" and "within the European Communities . . ."(91) Essentially many of the Anglo-Irish Agreement's advocates argue that any solution for Northern Ireland must go beyond traditional notions of the national sovereignty.

V. Unionist Opposition

While nationalists are outwardly confident that both traditions can heal their wounds in a Northern Ireland where the Union Jack and the Irish Tricolor fly in equal status the unionists most clearly do not. The Agreement is seen as a one-way street against their interests. In a report compiled by unionist members of the Northern Ireland Assembly the Agreement is an example of where the SDLP is "being rewarded by the creation of new institutions which operate outside Northern Ireland and appear to supersede it as a unit."(91) To many outside observers unionist opposition is nothing but the attitudes of

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"bigots" as "The Economist" editorialized.(92) Actually unionist objections are more articulate than their critics would admit. Their opposition to the accord stems not just from a perception of it being a gradual way point for a united Republic of Ireland but in that the agreement represents a clear breach in the Province's sovereign position in the United Kingdom and their rights as equal British citizens.

The unionist case against the Hillsborough agreement has been intellegently set forth in two studies; first, the three volume report of the Northern Ireland Assembly's Committee on the Government of Northern Ireland, issued January 29, 1986. This committee included leading unionists of both parties such as the leaders James Molyneaux and Ian Paisley; second is the short and concise booklet "Why Unionists Say No" by Official Unionist lawyer Peter Smith. There is tremendous detail, much of it of a parochial nature, in Unionist anti-Agreement studies, but this study will concern itself with the following areas: a.) the Agreement's secret diplomacy, b.) the status of Northern Ireland, c.) the Anglo-Irish Intergovernmental Conference, and d.) the Agreement's Enforcibility in International Law. In each area unionists place paramount emphasis on British Sovereignty.

a.) The Secret Diplomacy

This study has already cited the Committee's objections regarding the secret meetings between the British and Irish Governments since the formation of the Anglo-Irish Intergovernmental Council, which led up to the signing of the Agreement at Hillsborough. To Smith such actions "illustrate the British government's contempt for the Northern Irish majority . . ."(93) Secretary of State for Northern Ireland, Tom King told, the British House of Commons that "we were not able to take the people in Northern Ireland into full consultation before the Agreement was reached in the way that we would normally wish."(94) The Committee Report finds Mr. King's explanation "unsatisfactory for a number of reasons."(95) First the unionist committee notes that the two governments did leak to the press starting in January, 1985, information which would suggest such an agreement.

Moreover the unionists object mostly to fact that while they were kept in the dark "the need for confidentiality did not prevent the Government of the Republic of Ireland consulting

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frequently with the SDLP. Indeed the SDLP went out of their way to make it known that they were privy to the negotiations."(96) S. D. Flackes in the pro-Conservative "Sunday Telegraph" noted that Mrs. Thatcher "could have put a better gloss on the new Anglo-Irish Accord," by including Official Unionist leader Molyneaux "in the picture on the protracted negotiations, as the Dublin government did with John Hume, leader of the SDLP . . ."(97)

The Committee report also alleged that there "is reason to believe that consultations also occurred with the United States Government, the European Commission and most European governments."(98) Consultations with the Americans(99) has caused some unionists, Enoch Powell most notably, to believe that the Agreement came about as the result of pressure from Washington. Also the Committee took note of the fact that even the Vatican was briefed on the progress of the Anglo-Irish talks.(100) Therefore the Committee found that it could not "accept that Her Majesty's Government's failure to consult those who were to be directly affected by the Agreement was caused by a need for confidentiality."(101) The Committee's report, in quoting some of its witnesses finds that ". . . the manner in which the Anglo-Irish talks were conducted has contributed greatly to political instability in Northern Ireland."(102)

b.) The "Status" of Northern Ireland

It has been previously noted that much of the distrust unionists have for the intentions of the Republic of Ireland stems from its 1937 Constitution, in that Northern Ireland's sovereign position in the United Kingdom is not recognized. Peter Smith in "Why Unionists Say No" writes that "The unionists of Northern Ireland see the Republic as constantly pressing the goal of Irish unity, attempting at every opportunity to undermine unionism . . .", nor is the Republic "regarded as a friendly neighbour . . . being "seen as sharing the same objective as republican terrorism: Irish unity."(103) Should there be any treaty between London and Dublin, unionists would demand a recognition of the border on the part of Dublin.

In selling the Agreement to the unionists Mrs. Thatcher said in the House of Commons that Article 1 of the Agreement "was the best guarantee from the Republic that the people of North-

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ern Ireland ever had" and that it "is the first time that we have had a recognition . . . [of Northern Ireland as part of the United Kingdom] in writing from the Republic of Ireland . . ." and furthermore it "is the first time in a formal international agreement that the Republic has recognized this position in Northern Ireland . . ."(104)

Both "Why Unionists Say No" and the Committee report are not impressed with Mrs. Thatcher's claims. "It (Article 1) merely restates the substance of the 1973 Sunningdale British/Irish communique," according to Smith, "which was subsequently held by the Republic's Supreme Court not to confer de jure recognition of the status of the Province."(105) The Committee report finds that the "quotations from the various (summit) communiques show clearly Article (1a) goes no further than earlier statements by the Government of Ireland. Article (1a) is virtually identical to the declaration . . . [the Republic's] in the Sunningdale agreement . . . The Boland [Irish Supreme Court case in 1974] case shows it is beyond the competence of any Irish Government to recognize Northern Ireland in any meaningful way."(106) Therefore the Committee concluded that:

> Articles 1(a) and (b) are merely a statement of the factual position and of the current professed intentions of the two Governments. The Article does not accord recognition to Northern Ireland and those who claim that it does, or that it is in some way an advance, are either ignorant of the history of the question or are misrepresenting the position.(107)

Essentially unionists do not regard Article 1 of the Agreement to be any guarantee of Ulster's sovereign position. Mr. J. Finney, a Northern Ireland civil servant who resigned over the Agreement, said before the Committee that the "omission in the first article to describe Northern Ireland as part of the United Kingdom was deliberate . . ."(108)

Peter Smith particularly finds that Article 1 "clearly betrays the British Government's failure to safeguard the unionist position" since no demand is extracted from the Republic to repeal Articles 2 and 3 of its constitution and since the British Government "did not even bother to extract an explicit undertaking that the Agreement's machinery would not be used to further the Republic's claim to absorb Northern Ireland into its

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territory."(109) The particular wording of Article 1(c), according to Smith, appears to indicate that "two governments have now formally agreed that Northern Ireland can only move in one direction – into a united Ireland" and that the said article denies the option of independence "to the people of the Province no matter how overwhelming the majority in favour of it might be."(110)

The Committee report further mentioned a difference in detail between Article 1(a) and earlier declarations. The 1980, 1981 and 1984 summit communiques refer to changes in "constitutional status" while the 1985 Agreement, like the Sunningdale communique, refers to "'status' without qualification."(111) The Committee report in quoting two British MPs finds that it can be argued that the Agreement itself is a change in the Province's status. Stuart Bell of the Labour Party told the Committee that "there is certainly a change in the status of the people who live here (in the United Kingdom)" and Ian Gow of the Conservative Party told the Committee that "using language normally, I would think that there has been a change in the status (of Northern Ireland)."(112) Considering the change in the Province's "status" brought by the Agreement the Committee report finds that since Article 1 stipulates that "any change" in status must come from the wishes of the majority "it would call into question the 1985 Agreement itself."(113) Since the British and Irish Governments never sought the consent of the people of Northern Ireland the report comes to "the conclusion either that the declaration in Article 1(a) is not sincere, or that it has some meaning different from that conveyed by ordinary meaning of the words used."(114)

The Committee concluded its section on the question of status with an excerpt of an article from Claire Palley, Principal, of St. Anne's College, Oxford, in that Article 1 is only "a reaffirmation by the Irish Government of the status of Northern Ireland in accordance with the Irish Constitution" and that "the Agreement puts unionists on notice that reunification [sic] of Ireland will inevitably be enacted on an as yet undetermined date."(115)

c.) The Anglo-Irish Intergovernmental Conference

Even if the Irish Government were to have clearly recognized Northern Ireland as part of the United Kingdom, unionists

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would still object to the sections dealing with the new Anglo-Irish Intergovernmental Conference. This new structure created by the Agreement (a body which is co-chaired by the British Secretary of State for Northern Ireland and a designated cabinet Minister from the Irish Republic and made up of other ministers and civil servants from London and Dublin) is perceived by unionists as a major breach on the important questions of sovereignty. Prime Minister Thatcher has on one hand assured unionists in the House of Commons that the Conference is purely consultative and that it "will have no executive authority either now or in the future . . ."(116) Yet, then Irish Prime Minister Fitzgerald gave a different interpretation of the nature of the Conference describing it as going "beyond a consultative role but necessarily because of the sovereignty issue, falling short of an executive role . . ."(117) Furthermore briefing notes of the major parties in the Republic state: "It (the Conference) is not merely consultative."(118) "Why Unionists Say No" quoted then Irish Justice Minister Michael Noonan as describing the sections dealing with the Conference as giving the Republic "a major and substantial role in the day-to-day running of Northern Ireland."(119)

As with the sub-articles on Northern Ireland's "status" the Assembly Committee members attempted to "look at the precise terms of the Agreement," in regards to the role of the Conference, "rather than the interpretation that others may put upon the Agreement."(120) Yet the report also notes the "difficulty about this approach . . . [because] the Agreement fails to define its terms properly so that the meaning is, in some places, obscure and elusive."(121) After all, as the Committee recorded in its public sessions, "the Agreement is not drafted as a legal document, rather it is more of a political statement," but "some points can be made with regard to the text."(122)

The Committee concedes that the use of words like putting forward "views and proposals," issues being "discussed," and "considered" within the Conference's field of activity (found in Articles 2(b), 6, 3, 5 and 7 respectively) would support the notion that the Agreement only gives the Irish Government consultative powers. On the other hand the Committee is wary of the provision as to why the Intergovernmental Conference (Article 2(a)) exists. The said article states that its purpose is

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"to deal . . . on a regular basis with . . .", and the report finds that the word "'deal' connotes something more than consultation."(123) The phrase "field of activity" in Article 2(b) gives the Committee the conclusion "that positive action will result from the Intergovernmental Conference's deliberations. These terms support the view that the Conference will be a decision-taking body."(124) Other provisions, such as in Article 8, that the "Conference shall deal . . . with issues . . . relating to the enforcement of the criminal law" or Article 5's statement on the Conference concerning "itself with measures . . ." do, according to the Committee report, "reinforce the view that the Conference could have an executive character."(125)

The Committee especially finds that the provision in Article 2(b) whereby the British Government accepts "that the Irish Government will put forward views and proposals on matters relating to Northern Ireland (that is suggestions for legislation) within the field of activity of the Conference . . ." and that "determined efforts shall be made through the Conference to resolve any differences" appears to indicate "the development of an executive character . . ."(126), a form of joint authority. On one hand Professor Kevin Boyle told the Committee that the "determined efforts" provision only binds the British Government to "an obligation to have dialogue in good faith."(127) The Committee report in quoting the then Irish Prime Minister, however, finds that the implications of the determined efforts clause go further than Prof. Boyle's assertions. Dr. Fitzgerald is quoted as having said in a television interview that:

> The consequences of failure to reach agreement on major issues or even on small issues would obviously be very serious, something that no British or Irish Government would lightly contemplate.(128)

From Fitzgerald's remarks about the necessity of agreement between London and Dublin the report finds that the "determined efforts" provision goes "to the heart of the Agreement."(129) According to a scenario in the Committee report, when the Secretary of State for Northern Ireland:

> . . . meets his southern counterpart [and] . . . finds himself in disagreement with him . . . he must sort the matter out inside the Conference if reasonably possible, and if the difference is resolved then in effect, if not in form, the decision is made there and then and sub-

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> sequently implemented through the more usual channels. It is the opinion of the Committee that circumstances when the parties are unable to resolve their differences after determined efforts have been made will be rare, and that decisions will from time to time be made within the Conference. Consequently it is unrealistic to say that the Conference is not executive: it will be, on the occasions when it agrees, as executive as the Cabinet. If it fails to agree in a significant number of cases then there will be a crisis in relations between the United Kingdom and the Republic of Ireland and the Agreement will break down.(130)

Smith in "Why Unionists Say No" further contends that the "determined efforts" clause is "an obligation on the British to attempt compromise . . ."(131) In other words the unionists find that according to the terms of the Agreement, within the Intergovernmental Conference, the British Government will have to formulate decisions and implement policy with the Irish Government's concerns in mind.

When considering an "executive character" the report considers that "it is important to remember that the Intergovernmental Conference will not itself implement its decisions" because of its small secretariat, but this "does not mean it is not executive in character . . ." for if it makes the day-to-day decisions about Northern Ireland affairs "the fact that others implement those decisions does not deprive it of an executive character."(132) From the stated intentions of the two governments, and the wording of the Agreement sections on the Conference the report concludes that:

> . . . if the Conference continues to exist then the proper inference is that it is acting as an executive for most of the time on the matters referred to it. This institution is unique: it is not formally a condominium or joint sovereignty agreement, it does not have, as yet, the external trappings of a joint authority. But the Committee is of the opinion that is a joint authority in embryo. If it develops and establishes its own procedures and precedents, then within its 'field of activity' and in accordance with its precedents it will become the effective government of Northern Ireland.(133)

Therefore unionist wariness of the existence of the Anglo-Irish

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Intergovernmental Conference is due to their belief that this new body could become a source of decision-making for the Province, and a source which involves the hostile Republic of Ireland.

The Committee report carries sections on the fact that locally elected officals will have little or no input into the Conference's procedures. Also included in the report are sections dealing in detail with how specific areas of government policy will be affected by the intention of the British authorities to come to agreement with Dublin. At heart the unionists consider that the provisions establishing the Conference undermine Northern Ireland's sovereign position in the United Kingdom.

The report quotes "The Oxford Companion to Law" that sovereignty means that "a state must be able to exercise jurisdiction over a determinate tract of territory and the inhabitants therein and have legally independent powers of government . . . the corollaries of sovereignty . . . are exclusive jurisdiction over their several territories, a duty of non-intervention in the area of exclusive jurisdiction of other states . . ."(134) From this definition the Committee report finds that even if the Agreement only grants Dublin the right of consultation it is "even at that level, an encroachment upon British sovereignty" and since unionists believe that the Agreement "opens the way for a camouflaged exercise of executive powers" the Agreement involves a "deeper . . . encroachment upon the exercise of British sovereignty in Northern Ireland."(135)

Most unionists do not regard the question of sovereignty as an "arid academic matter" since "it goes to the heart of government and goes to the heart of people's perception of itself."(136) When Professors Hadden and Boyle appeared before the Committee Prof. Hadden mentioned that the Agreement's aims were "a different concept to cope with within a 19th-century view of sovereignty" and furthermore said that such a view of sovereignty was unappropriate for "two countries which have already conceded some of their sovereignty within the European Community" and "inappropriate . . . to hang on [to] desperately . . . when there is a prospect of moving forward to a more sensible recognition of the realities."(137) James Allister, a Democratic Unionist Assemblyman who like Professors Hadden and Boyle is a lawyer, then

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replied that "I do not accept the slur about 19th-century concepts of sovereignty."(138)

To quote Roy Mason, a Labour MP and former Secretary of State for Northern Ireland, the provisions of the Agreement in regards to the Anglo-Irish Intergovernmental Conference are from the unionist viewpoint "a frightening and sweeping intrusion by the south in Northern Ireland's affairs."(139) Another Labour MP, Stuart Bell, has told the unionists that if they wish to "take the Dublin Government off their backs . . . the way to do that is through devolution and through power sharing (with the northern nationalists)"(140) But the unionists note that any devolution would mean according to the Agreement "widespread acceptance throughout the community," which given the differences between the unionists and the SDLP would not likely occur. Therefore as long as the Agreement and the Conference exist the unionists in Northern Ireland, from their traditional ideas of state sovereignty find "a clear invasion of British sovereignty . . . and . . . [hence] regards the contrary argument of Her Majesty's Government to be misconstrued and misleading."(141)

d.) Enforceability of the Agreement in International Law

Because the Anglo-Irish Agreement constitutes a treaty in international law, binding on the Irish and British Governments, the Committee report poses the question that "on the strength of a similar declaration by the Government of the Republic of Ireland, it may enforce the Agreement in the International Court [of Justice at the Hague] without seeking any consent from Her Majesty's Government prior to such action."(142) At present Britain recognizes the authority of the International Court under Article 36 of the 1920 Statute of the Permanent Court of International Justice and would thus be bound to accept its ruling over any question concerning the Agreement unless the British Government "withdrew its declaration as the United States Government did in connection with a case brought against it by Nicaragua."(143) The Committee doubts that such an action is "a practical option in view of the 'unique' relationship that exists between Her Majesty's Government and the Republic of Ireland in the context of the European Community . . ."(144) Therefore the Committee expressed the concern that if the Republic contended that the British Government was not acting in good faith in regards to

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the Agreement then the Republic "may be in a position to enforce the obligations created by the Agreement in an international forum."(145) In other words Northern Ireland could have its internal affairs arbitrated by a supranational body.

The Committee further "considers the enforcibility of the Agreement in international law to be a matter of considerable importance" in view of the options of Dean J. F. O'Connor of University College Cork in that the Agreement "creates a new status for 'the province of Ulster' which is unique in international law."(146) It is O'Connor's further opinion that with the new status the Province "has become subject to the legal right of two sovereign Governments to determine how all matters which go to the heart of sovereignty in that area shall in future be determined."(147) With possible international arbitration in the future O'Connor points out that "international tribunals have in numerous cases decided whether or not a party has 'negotiated in good faith' or 'made determined efforts' to reach agreement even if, in the end, negotiations in good faith or determined efforts did not succeed."(148) Therefore unionists are wary of what could come out of any binding arbitration over the terms of the Agreement by an international body and no doubt see this as a further undermining of the Province's sovereign position in the United Kingdom.

Should any International Court (or tribunal) rule in the Republic's favor the British Government would not be, according to both "Why Unionists Say No" and the Committee Report, in the position to unilaterally withdraw from the Agreement. In noting that the Agreement is registered with the Secretariat of the United Nations under Article 102 of the UN Charter Smith writes that any British attempt at "unilateral repudiation" would mean that it would be open to the Republic's government to seek to enforce the Agreement by bringing the United Kingdom before the International Court with all the concomitant embarrassment for Britain at the bar of world opinion that this would entail."(149)

Nor does the Agreement contain any provision for review of the Agreement itself. The Committee report notes that Article 11 only provides for review of the Intergovernmental Conference nor does the language of the article "easily lead to the conclusion that the existence" of the said body "may be

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called into question."(150) ". . . the Agreement contains no machinery by which it can be terminated and the Anglo-Irish Conference wound up," therefore Smith laments that the "Agreement is forever."(151)

The unionists do find two legal arguments to restore their Province's sovereign position in the United Kingdom. Firstly the Committee report notes that self-determination "appears today to be recognized as a peremptory norm of international law . . . and as the Committee is firmly of the opinion that the people of Northern Ireland have a right to self-determination . . then it would appear to the Committee that if the two Governments were to properly apply this provision of the Vienna Convention, then they should forthwith withdraw from the Agreement."(152) "Why Unionists Say No" considers the fact that as a treaty with no enabling legislation which "has not been executed by the Sovereign" it "remains nothing more than government policy which every citizen has a perfect right to oppose if he pleases (provided of course, that he keeps within the law)."(153)

VII. Conclusion

Many outside observers of the Irish question are quick to invoke the ghosts of the island's past but the battle lines which have been drawn around the Anglo-Irish Agreement are now substantially different from and more significant than the old ethnoreligious enmities and suspicions. Even though much of the old nationalist and religious attitudes remain in the hearts of the ordinary men and women, the old nationalist movement has been transformed from its earlier conservative clerical format into a more contemporary machine driven by socialist and internationalist ideologies and forces. It still opposes partition, but seeks to achieve a united Ireland through European integration. Furthermore its ultimate goals are far more revolutionary and far-reaching. Unionist opposition consequently stems not just from the fact that the Protestants of Ulster still view partition as their forebears did, but from their deep opposition to socialist internationalism. Their concept of state sovereignty remains unchanged. Northern Ireland can either be a part of Great Britain or a part of Ireland, to their thinking. It cannot be in both countries, although it might possibly be independent. The Hillsborough Agreement, in spite of what platitudes are

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said about it, constitutes in the unionist mind a betrayal of their rights as British citizens. In summary the Anglo-Irish Agreement has not just opened the old wounds between Orange and Green, it has also opened new wounds.

Postcript

As this article was drafted a Task Force of the Unionist Joint-Working Party produced a report (on June 16th, 1987) which while restating Unionist opposition to the Agreement has started a change in Unionist tactics in that the leaders of the two parties, James Molyneaux and Ian Paisley, in "recognising the inadequacies of the existing protest campaign" have commenced "'without prejudice' discussions with Her Majesty's Government thereto."(154)

FOOTNOTES

(1) Ireland is divided into four provinces Ulster, Leinster, Munster, and Connaught. Since all of the six counties came from Ulster Northern Ireland is often called Ulster. In this study the terms Northern Ireland, Ulster and the Province will be used interchangeably.

(2) Richard Rose, Northern Ireland: Time of Choice (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1976), p. 1. A more extensive analysis of this point is found in Rose's Governing Without Consensus: An Irish Perspective (Boston, Massachusetts: Beacon Press, 1971).

(3) Police statistics indicate that in 1985 the number of terrorist murders, shootings and bombings were only a fraction of what it was in the peak year of 1972, and have even dropped slightly since 1981, the year of the hunger strike. See the appendixes in the Royal Ulster Constabulary's Chief Constable's Annual Report 1985 (Belfast, HMSO, 1986).

(4) Geoffrey Hornsey, Some Legal Considerations Relating To the Anglo-Irish Agreement, printed in the Northern Ireland Assembly's, Committee on the Government of Northern Ireland, Report, Proceedings and Appendices (III Volumes)," (HMSO: Belfast, 1986), Vol. I, p. 103.

(5) Peter Smith, Why Unionists Say No (The Joint Unionist Working Party: Belfast, 1986), p. 25.

(6) NIA, Committee, op. cit. Vol. III, p. 59.

(7) In this article, as is in Northern Ireland, the terms 'Unionist' and 'Loyalist' will be used to define anyone who wants to keep Northern Ireland in the United Kingdom, or at least out of the Republic of Ireland (there are some 'loyalists' who have demanded an independent Ulster), such a person usually is a Protestant; and the terms 'Nationalist' and 'Republican' will be used to identify anyone who wants a united Ireland, usually a Roman Catholic. In a sense the unionists could be called "nationalists," that is British nationalists. The nationalists could be called "union-

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ists" because of their aspiration for "union" with the Republic of Ireland. Moreover as this study will note the present face of Irish nationalism has become internationalist, and thus one could say that the nationalists are no longer "nationalists." This article will use the terms as they are used in Northern Ireland.

(8) For a study of the Marxist strain in the turn of the century Republican movement see Geoffrey Bell, Connolly's Marxism (London: Pluto Press, 1985).

(9) NIA, Committee, op. cit., Vol. II, p. 79.

(10) James Billington, *Fire in the Minds of Men: The Origins of the Revolutionary Faith* (New York: Basic Books, 1980), p. 146.

(11) NIA, Committee, op. cit., Vol. II, pp. 80-81.

(12) New Ireland Forum, Final Report (Dublin: Stationary Office, 1984), p. 8.

(13) In his The British in Ireland: A Suitable Case for Withdrawal (London: Pluto Press, 1984) Marxist Geoffrey Bell refers to O'Connell's "conservatism," p. 21.

(14) Rose, Northern Ireland, p. 50.

(15) Quoted in Claire Sterling's The Terror Network: The Secret War of International Terrorism (Berkley edition), (New York: Berkley Books, 1982), p. 153.

(16) More detailed accounts of the change in ideology of the IRA in the 1960s is documented in works such as Tim Pat Coogan's The IRA (London: Fontana, 1971) and J. Bowyer Bell's The Secret Army (London: Sphere, 1972). Shorter accounts can be found in chapter 3 of The Sunday Times Insight Team's "Ulster" (Harmondsworth, U.K.: Penguin, 1972) and in chapter 9, of Claire Sterling's The Terror Network.

(17) Geoffrey Bell, The British in Ireland, p. 58.

(18) Quoted from Sterling's The Terror Network, p. 164.

(19) Also quoted from Sterling's Terror Network, p. 154.

(20) Irish News, December 2, 1985.

(21) Down Recorder, January 5, 1986.

(22) Northern Ireland: Agreement between the United Kingdom and the Republic of Ireland (London: Central Office of Information, 1985), p. 7.

(23) The nationalist grievances were that members of their community were being discriminated in terms of public housing, jobs in both the private and public sector and gerrymandering the electoral boundaries by unionist controlled local governments. Many of these complaints were brought before the Cameron Commission (Distrubances in Northern Ireland Cmd 532 (Belfast: HMSO, 1969). The final report of the Cameron Commission is often quoted in most works on Northern Ireland taking for granted the content about nationalist complaints. There are counter-claims by unionists about the credibility of Nationalist grievances. One as such is Rev. Martin Smyth's The Battle for Northern Ireland (Belfast: County Grand Orange Lodge, 1972). Another is Dr. Clifford Smyth's Christian Ethics and Propaganda: A Discussion of the Irish Experience (Belfast: published by the author, 1982). There are writings on this question by those with "no axe to grind" which attempt to balance nationalist claims and unionist counter-claims, such as Richard Rose's already cited Governing Without Consensus. The most recent is found in Christopher Hewitt's "Catholic grievances, Catholic nationalism and violence in Northern Ireland during the Civil Rights Period: a reconsideration," The British Journal of Sociology, Vol. 32, No. 3, September, 1981. Hewitt, a Professor of Sociology at the University of Maryland (U.S.A.), reached this conclusion about the nature of Catholic grievances: '. . . it has been shown that Catholic grievances were exaggerated and that nationalism was a much stronger force in the Catholic population and the civil rights movement than is generally acknowledged (p. 377)."

(24) SDLP Party Constitution (Belfast: SDLP Publications, 1985), p. 1.

(25) Ibid., p. 1.

(26) At their 1985 party conference the SDLP passed many resolutions with a left of center bent, ie. EEC sanctions against South Africa, and calls for unilateral nuclear disarmament. SDLP: Creating Equality, B[illegible] Peace, Fifteenth Annual

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Conference (Belfast: SDLP Publications, 1985).

(27) Interview with Ron Chepesiuk, Journal of Defense and Diplomacy (Vol. 3, No. 10, October, 1985), p. 16.

(28) The policies of both the Wilson Labour and Heath Conservative governments, and that of the O'Neill, Chichester-Clark, and Faulkner Unionist governments, which angered the unionist right were those pertaining to security (disarming the RUC and disbanding the auxillary 'B' Special Constabulary), and government administration (centralizing the administration of social services out of local councils to new provincal agencies in the areas of health, road, and public housing).

(29) Interview with Chepesiuk, "JODD," op. cit., p. 13.

(30) Article 2 of the Republic of Ireland's 1937 Constitution reads: "The national territory consists of the whole island of Ireland, its island and the territorial seas." Article 3 of the said Constitution reads: "Pending re-integration of the national territory, and without prejudice to the right of the Parliament and Government established by this Constitution to exercise jurisdiction over the whole of that territory, the laws enacted by that Parliament shall have the like area and extent of application as the laws of Saorstat Eireann and the like extra-territorial effect."

(31) Kevin Boyle and Tom Hadden, Ireland: A Positive Proposal (Harmondsworth, U.K.: Penguin, 1985), p. 44.

(32) Ian R. K. Paisley, Peter D. Robinson and John Taylor, Ulster The Facts (Belfast: Crown Publications, 1982), pp. 85-88.

(33) Ulster Democratic Unionist Party, Annual Conference 1984 (Belfast: published by the UDUP, 1984), p. 3. As well as many resolutions having to do with parochial matters the UDUP Conference passed a resolution confirming "its continued opposition to the Campaign for Nuclear Disarmament to enable the government to negotiate from a position of strength."

(34) Alex Greer, Ulster Update and "Interview with Rev. Martin Smyth," Reformed Perspective, Vol. 6, No. 1, November, 1986, p. 8. See also the author's "Northern Ireland: The Deadlock Continues," Reformed Perspective, Vol. 5, No. 8, pp. 3-7.

(35) Rose, Northern Ireland, p. 38.

(36) David Calvert, A Decade of the DUP (Belfast: Crown Publications, 1981), p. 5.

(37) This information was given to this author in private interviews by two individuals, one in the Ulster (Official) Unionist Party and the other close to leading officals in the Ulster Democratic Unionist Party. For reasons best known to themselves their names cannot be given.

(38) NIA, Committee, op. cit., Vol. II, p. 82.

(39) NIA, Committee, op. cit., Vol. II, p. 79.

(40) NIA, Committee, op. cit., Vol. II, p. 82.

(41) W. D. Flackes, Northern Ireland: A Political Directory (London: Ariel Books/British Broadcasting Corporation, 1983), pp. 220-222.

(42) With direct rule a new proportional representation system of voting was introduced for Northern Ireland's borough and district council and provincial assembly elections. Northern Ireland's particular system involves the Single Transferable Vote (STV), where officials are elected by obtaining vote quotas for their area, and voters have more than one vote in order of preferences. STV is explained in Rose's Northern Ireland, pp. 76-79, 167-172.

(43) NIA, Committee, op. cit., Vol. I, p. 12.

(44) NIA, Committee, op. cit., Vol. I, p. 13.

(45) NIA, Committee, op. cit., Vol. I, p. 15.

(46) NIA, Committee, op. cit., Vol. I, p. 15.

(47) NIA, Committee, op. cit., Vol. I, p. 15.

(48) NIA, Committee, op. cit., Vol. I, p. 15.

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(49) After direct rule the Stormont emergency laws were changed by the British Government with the advice of certain committees, chaired by the Lord Justices. On the advice of the Gardiner Committee convicted terrorists were to be treated as ordinary criminals. Republican prisoners objected to this policy and demanded "Prisoner of War" status. In 1981 this involved the refusal to wear prison clothing and the hunger strikes. For details see Boyle and Hadden, op. cit., pp. 66-71, and Flackes, op. cit., pp. 304-319.

(50) Sinn Fein polled 3 percent of the total Northern Ireland vote in the 1973 Assembly election, and 2 percent in the 1975 convention election. Thus jumped first to 8 percent in the Westminster election in 1979, then to 10 percent in the Assembly election in 1982 and then to 13 percent in the Westminster election in 1983. From Boyle and Hadden, op. cit., pp. 73-74.

(51) New Ireland Forum, op. cit., p. 3.

(52) The Forum for a New Ireland as well as preparing a final report prepared also the following detailed reports: "The Cost of Violence arising from the Northern Ireland Crisis since 1969"; "The Economic Consequences of the Division of Ireland since 1920"; and "A Comparative Description of the Economic Structure and Situation, North and South." The Forum also commissioned the DKM Economic Consultants to prepare "The Macroeconomic Consequences of Integrated Economic Policy, Planning and Coordination in Ireland," which was published separately. Also Professor C. K. Boyle and D. S. Greer were commissioned to prepare "The Legal System, North and South," which was also published separately. The final report also notes that studies on "the implications of integration in the agriculture, energy and transport sectors, prepared for the Forum, are being published separately (p.4)." All are published by the Republic of Ireland Government's Stationary Office.

(53) From a public speech delivered by Mr. Desmond O'Malley TD (Member of the Dail) in Belfast on Saturday April 5th, 1986.

(54) A New and Exciting option in Irish Politics: Progressive Democrats (Dublin: Progressive Democrats, 1986). See also the author's "Notes on the recent Irish election," Reformed Perspective.

(55) Ireland: Department of Foreign Affairs (Fact Sheet 5/81) (Dublin: Department of Foreign Affairs, 1981).

(56) New Ireland Forum, op. cit., p. 7.

(57) New Ireland Forum, op. cit., p. 9.

(58) Peter Smith Opportunity Lost: A Unionist View of the Report of the Forum for a New Ireland (Belfast: Ulster Unionist Council, 1984), p. 9.

(59) New Ireland Forum, op. cit., p. 14.

(60) New Ireland Forum, op. cit., p. 14.

(61) New Ireland Forum, op. cit., p. 14.

(62) Ulster Young Unionist Council, "Discussion Paper 1. Equality and Opportunity in Northern Ireland" (Belfast: Ulster Young Unionist Council, May, 1986).

(63) New Ireland Forum, op. cit., p. 26.

(64) New Ireland Forum, op. cit., p. 27.

(65) New Ireland Forum, op. cit., p. 29.

(66) New Ireland Forum, op. cit., p. 31.

(67) Ibid., p. 31.

(68) Ibid., p. 31.

(69) Ibid., p. 34.

(70) Ibid., p. 37.

(71) Ibid., p. 37.

(72) Ibid., p. 37.

(73) Ibid., p. 37.

(74) Quoted in NIA, Committee, op. cit., Vol. I., p. 133.

(75) Ibid., p. 134.

(76) Ibid., p. 137.

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(77) Bernard Crick, "Troops Out' is no Policy," The New Statesman, September 20, 1985, p. 12.
(78) Ibid., p. 12.
(79) Peter Smith, Opportunity Lost, p. 9.
(80) New Ireland Forum, op. cit., p. 28.
(81) Peter Smith, Opportunity Lost, p. 14.
(82) Ibid., p. 14.
(83) Peter Smith, Why Unionists, p. 7.
(84) Ibid., p. 7.
(85) Ireland Today (Bulletin of the Department of Foreign Affairs), p. 16.
(86) New Ireland Forum, op. cit., p. 30.
(87) Ibid., p. 30.
(88) Hadden and Boyle, op. cit., p. 49.
(89) Ibid., p. 49.
(90) Ibid., p. 110.
(91) NIA, Committee, op. cit., Vol. I, pp. 22-23.
(92) The Economist, November 22, 1985, p. 15.
(93) Peter Smith, Why Unionists, p. 5.
(94) NIA, Committee, op. cit., Vol. I, p. 24.
(95) Ibid., p. 24.
(96) The Sunday Telegraph, December 1, 1985, p. 19.
(97) NIA, Committee, op. cit., Vol. I, p. 25.
(98) Ibid., p. 25.
(99) Ibid., p. 25.
(100) Ibid., p. 26.
(101) Ibid., p. 26.
(102) Ibid., p. 26.
(103) Peter Smith, Why Unionists, p. 4.
(104) NIA, Committee, op. cit., Vol. I, pp. 39-40.
(105) Peter Smith, Why Unionists, p. 11.
(106) NIA, Committee, op. cit., Vol. I, p. 40.
(107) Ibid., p. 40.
(108) NIA, Committee, op. cit., Vol. II, p. 139.
(109) Peter Smith, Why Unionists, p. 11.
(110) Ibid., p. 11.
(111) NIA, Committee, op. cit., Vol. I, p. 42.
(112) Ibid., p. 42.
(113) Ibid., p. 42.
(114) Ibid., p. 42.
(115) Ibid., p. 43.
(116) Ibid., p. 44.
(117) Ibid., p. 44.
(118) ibid., p. 44.
(119) Ibid., p. 44.
(120) Ibid., p. 44.
(121) Ibid., p. 44.
(122) Ibid., p. 44.
(123) Ibid., pp. 44-45.
(124) Ibid., p. 45.
(125) Ibid., p. 45.
(126) Ibid., p. 46.
(127) Ibid., p. 48.
(128) Ibid., p. 46.
(129) Ibid., p. 46.
(130) Ibid., p. 46.

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(131) Peter Smith, Why Unionists, p. 13.
(132) NIA, Committee, op. cit., Vol. I, p. 45.
(133) Ibid., p. 47.
(134) Ibid., p. 51.
(135) Ibidl, p. 52.
(136) Ibid., p. 53.
(137) NIA, Committee, op. cit., Vol. III, p. 46.
(138) Ibid., p. 46.
(139) NIA, Committee, op. cit., Vol. I, p. 53.
(140) NIA, Committee, op. cit., Vol. III, p. 7.
(141) NIA, Committee, op. cit., Vol. I, p. 52.
(142) Ibid., p. 52.
(143) Ibid., p. 30.
(144) Ibid., p. 30.
(145) Ibid., p. 30.
(146) Ibid., pp. 30-31.
(147) Ibid., p. 31.
(148) Ibid., p. 31.
(149) Peter Smith, Why Unionists, p. 25.
(150) NIA, Committee, op. cit., Vol. I, p. 31.
(151) Peter Smith, Why Unionists, p. 25.
(152) NIA, Committee, op. cit., Vol. I, p. 32.
(153) Peter Smith, Why Unionists, p. 25.
(154) The Task Force Report: An End to Drift: An Abridged Version of the Report Presented to Mr. Molyneaux & Dr. Paisley, 16th June, 1987 (Belfast: Joint Unionist Working Party, 1987), p. 7.

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THE NEW HEGEMONY:
DENG XIAOPING'S CHINA FACES THE WORLD

a new monograph

by Julian Weiss

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THE NEGOTIATING STYLE OF THE PEOPLE'S REPUBLIC OF CHINA: THE FUTURE OF HONG KONG AND MACAO

By Julian Weiss

The tactics employed by the People's Republic of China in its negotiations with Britain over the future status of Hong Kong were in keeping with its established style, whose features are subtle pressure, carrot-and-stick diplomacy and vague pledges of "autonomy." This technique allows the PRC to capitalize on Western hopes of capturing an elusive "China market," while hypocritically positioning herself as a barrier to Soviet expansionism. Britain has agreed to transfer Hong Kong to the PRC in 1997, and Portugal has agreed to surrender Macao in 1991. Insights into both the substance and purposes of Beijing's foreign policy may be gleaned from the often bombastic posturing of Communist Chinese. China's negotiating habits provide insight into whether China's foreign policy has substantially changed under Deng Xiaoping as compared to the Mao Zedong era.

The negotiations over the Crown Colony of Hong Kong resulted in a pledge by the PRC to allow the capitalist system to continue after the territory reverts to China in 1997. The position taken by the PRC have been cited by supporters of Beijing as a model for Beijing's dream of absorbing Taiwan. Hong Kong is part of China; Taiwan is the island province which had been under China's rule for centuries. Thus, according to the Hong Kong model, Taiwan would have a similar status to that promised for Hong Kong – it would fall under the administrative control of Beijing but with separate "autonomy" and the right to continue to operate its economy on its present capitalist basis. This proposal has been termed the "one country, two systems" solution .

What Does "Autonomy" Mean to Beijing?

"Autonomy" in practice is far different from the abstract paper concept – and from lofty pontifications and pronouncements by Communist ideologues. *Beijing Review,* an official organ of the state, published a revealing interpretation of the avowedly expansionist policy. When one understands Com-

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munist jargon and the lexicon of "the people," it is all too clear that power over the "autonomous" regions remains vested in Beijing. In the November 23-29 issue, we learn that:

> The people's congresses of national autonomous areas have the power to enact regulations on the exercise of autonomy and separate regulations as well in the light of the political, economic and cultural characteristics of the nationalities in the areas. These regulations must be submitted to the Standing Committee of the National People's Congress for approval. Regional national autonomy is the basic policy the government adopts to solve the nationalities question in China and as such it is an important political element within the state.

Significant changes have recently taken place in both Communist China (the PRC) and Free China (the ROC on Taiwan). These do not, however, synchronize the two nations; significant barriers to true democratization remain on the Mainland (and whether octogenarian Deng's policies will survive his passing is a critical consideration). The "Four Modernizations" program has brought a liberalization of the economy, with limited introduction of the market system to the Chinese mainland, although there has not been any significant political liberalization. The Republic of China on Taiwan, utilizing a dynamic free enterprise economy, has lifted martial law after almost forty years and has moved toward a more democratic and truly competitive political system. Is the "Hong Kong" model an inducement to consider the unification of Taiwan with the PRC?

If the question of Hong Kong, and even Macao, is relevant to the future of Taiwan, thorough investigation is needed of the situation in both areas and of the stance taken by Deng Xiaoping and his associates. We should not only consider the "model" argument in the theoretical sense but ask what the present negotiations may mean realistically for the peoples living in these two entities.

Background on Hong Kong and Macao

Hong Kong came under British control as a consequence of British efforts in the nineteenth century to open China and other areas in Asia to British trade.

During the middle of the nineteenth century, the Western

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nations – including Britain, France, and Russia – were already industrializing and they consequently sought new sources of raw materials and markets for exports. China, Japan, Korea, and Indo-China offered great promise for both objectives. China especially represented a major market because of its large size and population. The West had the advantage of technology, military power, and an aggressive leadership in contrast to the more conservative and traditionally isolated societies of Asia.

China had long enjoyed the role as the center of East Asian civilization. It considered itself economically self-sufficient and also to be the pre-eminent center of culture in the world, and consequently did not respond favorably to the Western initiatives. Under the direction of an Emperor and a ruling elite of mandarins – influenced by the philosophy of the sage Confucius – the Chinese considered themselves superior, and viewed the Western peoples as barbarians. The leadership of China saw no benefit in trade or even in contact with other nations. The "Central Kingdom" for centuries had operated a "tribute" system, in which delegates from the nations of Asia came to China at regular intervals to pay their respects and exchange goods. This tribute system was consistent with China's view of itself as the center of the world, accepting gifts from other tributary powers but not dependent upon anything from outside its own borders. The basis of China's economy was agriculture, with the great majority of its population engaged in those pursuits.

The British began their trading efforts on the south Chinese coast. They stationed representatives at the Chinese port of Canton, which provided an outlet for trade with India – a trade conducted by private entrepreneurs under a charter granted by the British crown to the Honorable East India Company. Canton became the outlet for teas, silk, and cotton textiles from the inner regions of China. The Canton trade began a steady growth leading to both an accumulation of capital and the establishment of the mechanism for commercial trade.

A strange and less attractive product soon began to figure prominently in this trade, a product whose advent into East/West trade would greatly influence the course of East/West relations – the narcotic opium. India had produced opium for centuries, and the British trading ships were attractive means of transporting this product cheaply to the Far East. But the

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sale of increasing quantities of opium to Chinese dealers soon attracted the displeasure of the Chinese imperial officials, who saw the harm arising from the spread of the opium habit among their own population. The imperial government had sought to prohibit the smoking of opium with an early edict which banned its importation, but proved ineffective in enforcing the ban. When English traders entered into the trade, the authorities tried to cut-off further European trade, and the result was the First Anglo-Chinese War of 1839-1842 (which came to be dubbed The Opium War). But the Chinese army was outdated and, despite its size, was no match for the English, and China suffered a humiliating defeat. The consequence was a treaty opening additional trading ports along China's coasts to Western traders.

Hong Kong attracted the attention of the British merchants in Canton after repeated disturbances between Chinese and British sailors during this period. These led to a dispute between the two powers over diplomatic relations and over matters related to territorial jurisdiction. The British traders moved from Canton to Macao and then to Hong Kong. Until this time, Hong Kong was a largely uninhabited island, about thirty square miles in area, separated from the mainland peninsula of Kowloon by one of the best deep-water harbors in the world. The Treaty of Nanking opened five ports to British residence and trade — Canton, Amoy, Foochow, Ningpo, and Shanghai, and actually ceded Hong Kong to Britain. British merchants began to actively expand their trade with China through these ports. (1)

The British acquisition of Hong Kong and the associated territories occurred in three stages:

1. The treaty of Nanking of 1842 ceded Hong Kong Island to Britain,
2. The Convention of Peking in 1860 gave the Kowloon Peninsula to Britain,
3. The Second Convention of Peking (1898) transferred the "New Territories," comprising part of the mainland area adjoining Kowloon, together with 235 adjacent islands, to Britain under a ninety-nine year lease.

According to this transfer, Hong Kong Island and Kowloon became British in perpetuity, but some of the adjacent land was scheduled to revert to China in 1997 with the expiration of the British lease. (2)

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Hong Kong subsequently played a prominent role in British trade in the Far East. Starting in the 1840s, and continuing over one hundred years, Hong Kong served as a staging port as well as a transhipment center for trade between China and the Western world. During this period, British control over Hong Kong was interrupted for one brief period, thus halting Asian and European trade. This was the era of occupation by Japanese troops (1942-1945).

Trade was also affected by conflict during the Korean War (1950-1953) with the resulting United Nations embargo on the export of strategic goods to Communist China. With most of its external commerce cut off, Hong Kong demonstrated its flexibility and set about the establishment of its present powerful manufacturing industry. It also developed into a major financial center for Far Eastern markets generally.(3)

Negotiations over Hong Kong

Soon after gaining control of mainland China in 1949, the Communist Party leadership focused on the capture of territories which had been ceded to other powers and which they considered part of their domain. The early years were spent consolidating power, seeking to promote the "Chinese model revolution" throughout the Third World, in military threats against Taiwan, and in the development of a nuclear capacity. References were made in Communist Party statements and publications about China's need to regain Hong Kong and adjacent territories as a salve to national pride. Diplomatic agitation over Hong Kong and the surprise unilateral announcement led to the beginning of talks between the PRC and Britain in 1982.

An examination of China's role in the Hong Kong negotiations presents an insightful glimpse of the motivations, methods, and intentions of the Chinese Communists. The PRC has not been above making promises and commitments and then modifying such commitments through threats and pressures into something completely different from their original meaning. The process involves a dialogue between the two superpowers, China and Britain, with the people of Hong Kong (a now overwhelmingly Chinese population made up largely of migrants and refugees from the PRC and their descendants) as spectators and innocent victims as to whatever terms negotiated.

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Each party has a major stake in the negotiations. Britain desires to keep the advantages it has gained from its investments in Hong Kong and its role as a major trade center. In line with its transfer of Empire throughout the world, the British government seeks a face-saving and smooth transition towards the new status. However, Britain is virtually unable to oppose Chinese demands since it has no intention of ever attempting to use military force to protect its legal right to Hong Kong and Kowloon. Both areas are inhabited by Chinese and situated so close to the China mainland – thousands of miles from British shores that intervention is deemed impractical. (The British position regarding the Falkland Islands was different. Although the Foreign Office was disposed to negotiate power sharing with the Argentinians, the population was almost entirely British in origin, and strongly resented any such transfer of power. The Argentine government made the mistake of attempting to use force without overwhelming superiority). In addition, the British believe they have more to gain from peaceful trade with the People's Republic of China, than they do from any attempt to enter into military confrontation with the Chinese.

China also has much at stake, and holds an advantage, because of the deadline implied by the expiration of the British lease on the New Territories in 1997. Hong Kong has occupied a prominent role in Chinese Communist propaganda over the years. According to the *New York Times* Far East correspondent, John McCook Roots, China's defeat in the Opium War and its subsequent "Century of Humiliation" have provided a treasure trove for Communist propagandists around the globe. The era of European domination cannot be compared to current Communist exploitation and militarism, but in the words of veteran China scholar Parris Chang, "the (Opium War) line is grist for the mill" as starry-eyed idealists attempt to fathom the "mysterious" Oriental perspectives (4)

During the years when Mao Zedong kept China closed to outside influence, Hong Kong was a convenient outlet for the sale of Chinese goods to the West, and the import of needed goods from the West. Not only did Hong Kong provide China with an outlet to the world, it also provided Western observers with an "eye" to look inside China. Refugees who fled from China to Hong Kong constituted one of the few sources of information about what was happening inside China, while at the same time the colony provided an outlet for Communist

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agents and propaganda destined for other parts of Asia.

The present leadership in Beijing has not deviated from its ultimate Marxist goals, but seeks to convince the opposition to Deng Xiaoping (i.e., the old line Maoists and remaining followers of the "Gang of Four") that his policies can make China strong internally while she secures a powerful position in the international arena. If China captures Hong Kong on favorable terms – and Britain will inevitably suffer a diplomatic defeat in relinquishing control of this formerly prestigious symbol of Empire – China's international image and the prestige of the ruling clique will be incalculably strengthened.

Chinese inhabitants of Hong Kong are in a difficult position. They are victims of superpower negotiations and hold little if any voice in their own fate. They worry about press freedom, as evidenced by Legislative Council debates. Other publicly aired concerns include voting rights, a future "Chernobyl" caused by the PRC's pell-mell race towards nuclear power, and Beijing's paper guarantees.

Hong Kong has become one of the wonders of Asia – if not the world. Its populace has created a unique culture as millions of refugees from the PRC were admitted since the 1960s. Its free port, booming trade and prestige as an international financial center have brought it enormous prosperity, and a rising standard of living for its 5.5 million inhabitants. Hong Kong is considered one of the "Four Dragons" of Asia – along with the Republic of China on Taiwan, South Korea, and Singapore – which have amazed the world by their rapid economic and social development through a free enterprise system. These four small nations play a major role as financial nerve centers in Asia, and as models for the underdeveloped nations of the Third World. With 67 million people and a combined GHP of U.S. $240 billions, the "Dragons" are an economic powerhouse – diversified, vibrant, and all forging an egalitarian prosperity. As Chinese refugees who escaped from the brutalities of the PRC and found a welcome haven in the crowded British colony, they presently enjoy an ample food supply, freedom of religion, the opportunity to work and advance themselves economically, and safety from dictatorial and oppressive state direction. The Chinese of Hong Kong do not welcome the prospect of full control by Communist China after 1997, given their close knowledge concerning the economic instability (e.g., The Great Leap Forward) and the political uncertainty (e.g., The Proletarian Cultural Revolution) of the

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government on the mainland.

Before examining the current strategy of China on the Hong Kong issue, we might review what has happened so far and the current schedule for future developments:

1. 1982 – negotiations over Hong Kong began between China and Britain;
2. December 19, 1984 – Sino-British joint declaration issued in which both countries agreed that Hong Kong would be restored to China, July 1, 1997;
3. May 27, 1985 – ratification of the above agreement;
4. September 26, 1985 – first indirect elections for a Hong Kong Legislative Counsel were held. In addition, efforts were begun to draft the Basic Law which represents a mini-constitution for the future Hong Kong Special Administrative Region which will be under China's control;
5. 1988 – A draft Basic Law will be produced and public consultation will be held;
6. 1990 – The Chinese National People's Congress will promulgate the final draft of the Basic Law;
7. July 1, 1997 – Hong Kong will officially revert back to the People's Republic of China. (5)

The Chinese Strategy

China agreed to a plan which it promoted to turn Hong Kong into a Special Administrative Region (or SAR) of China. This was intended to assure those with financial interests in Hong Kong that their investments would be protected when administrative functions were taken over by the Beijing government. The avowed intention of the PRC is to apply the "one country, two systems" formula (i.e., China with its socialist economic system would oversee the administrative functions of Hong Kong while allowing the operation of the present free enterprise system).

In assessing the possible implications of the current negotiations for the future of Hong Kong, we should bear in mind the overall record of Chinese negotiating strategy. U.S. diplomat Arthur Lall brings wide experience to the field of diplomacy. He was selected as one of the six delegates who participated in one of the most notable negotiations with the Chinese Communist government – the conference on Laos of 1961-1962.

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This was the first international agreement ever signed by both a U.S. Secretary of State and a Foreign Minister of the People's Republic of China. (6)

In an analytical study of how the Chinese Communists negotiate, Lall reveals that the Chinese negotiators at international conferences are "all avowedly members of the Chinese Communist Party, and they are even more open about this affiliation than their Russian and East European counterparts." PRC negotiators are both "expert" and "red." They are thoroughly versed on the specific topic of their negotiations, as well as on all relevant Communist Party policies, regulations and directives. They are trained not only in the theoretical principles of Communism and Marxism, but also on the "attainment of proficiency" in the preparation and presentation of political reports and articles. (7)

While observing that many details of the exact training of diplomats are concealed because of the secrecy characteristic of the Chinese Communist government, he makes this summary of the typical Chinese diplomat:

> He is well-educated and highly trained to analyze situations and events in terms of practical Chinese Marxism, and in this sense he is a staunch Communist. He also is genuinely prone to analyze whenever confronted with an issue; he is highly China-oriented — often jingoistically so — and is fundamentally more concerned about the needs and aspirations of China than anything else. Since he has not yet developed a realistic world perspective, it is easier for him, drawing on his brand of revolutionary Marxism, to prescribe the course which he believes the world should and ultimately will follow. (8)

Even if one accepts the undertakings of the Communist government in Beijing as honest and truthful (which is doubtful because of past experience in negotiations and their commitment to Marxist ideology), there still remain a number of objections that must be raised to the idea that the Hong Kong agreement can be taken as a model for a negotiated rapprochement between the PRC and the ROC on Taiwan. Hong Kong is subject to direct Chinese influence, since it must depend on the PRC for its water supply and electricity. It would be easy for the Chinese government to isolate and paralyze Hong Kong at anytime. It could, in effect, bring the Hong Kong economy to

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a halt and enforce a stranglehold over it for an indefinite period of time. There are also significant differences between the Republic of China on Taiwan and Hong Kong. Taiwan is separated from the mainland by a substantial expanse of water; it possesses an efficient army and airforce; it represents a rival government, the ROC; it has an international personality; it has its own economy and is free of any other power for its electricity or water supply. Those who still feel, after recognizing these disparities, that there is any relevance in the Hong Kong model for Taiwan — in practical as well as theoretical terms — may be better advised to wait and observe how the Beijing government honors its undertakings on Hong Kong in the decades following 1997. The Hong Kong Chinese are apprehensive as to whether Beijing will keep to its promises on internal autonomy and a free enterprise economy, after it falls under the administrative direction of the PRC.

The Tactics of the Negotiations

Hong Kong has proved a viable economic trade and financial center over the past decades, in sharp contrast to the sluggish economic performance and erratic economic policies of the PRC. Major exports from Hong Kong include clothing, manufactured items, electrical apparatus and machinery, appliances as well as telecommunications, consumer electronics, and sound reproduction equipment. Major imports for this booming economy include raw materials and semi-manufactured goods, capital goods, consumer goods, foodstuffs, mineral fuels, lubricants, and related materials. Hong Kong has no oil or natural gas resources. As of 1985, this British crown colony had 143 licensed banks, 35 locally incorporated banks, 131 foreign bank representative offices, and 278 registered deposit taking companies.(9)

Even in the last two years, Hong Kong has remained a center of dynamic growth. Its economy grew by 11 percent in 1986, and an original prediction of a 6.2 percent growth for 1987 was revised to 12 percent, even higher than the 1986 figure. Sharply rising exports contributed to the growth. Hong Kong's Financial Secretary, Piers Jacobs, predicted that per capita income in Hong Kong would reach $7,950 (in U.S. dollars).(10)

While the broad fate of Hong Kong after 1997 has been settled — China will assume control from Britain — the type

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of government and society Hong Kong will have during the transition period and after 1997 remains a crucial point for discussion. The British tradition is one of constitutional government based on the rule of law, and the British administration of Hong Kong has been broadly respected for its efficiency and integrity. Britain protected individual rights and believed in limits to the power of rulers. The British respected the dignity of the colonial citizenry as well as the dignity of its own nationals. There is a comparable tradition in Asia, rooted in Confucianism, but the Communist tradition now dominates the PRC. Britain brought its philosophy of government to its colonies, including Hong Kong, and the English negotiators are concerned over the degree of human rights that will survive the transfer of power in Hong Kong, and especially what guarantees will obtain for the associated principle of freedom of the press. One specific issue under discussion has been whether there would be direct elections for the Legislative Council (Legco) in Hong Kong. In the 1984 joint declaration, concern surfaced over the vague wording of key issues such as the structure of the Special Administrative Region government and the method of selecting the chief executive of Hong Kong. The history of the negotiations over Hong Kong shows that the Chinese Communists consider these to be irrelevant questions.

Surveying the field of diplomacy, the generally understood protocol is that an agreement represents the end of the process of negotiations. However, with the Chinese Communists, the signing of an agreement, especially one couched in vague terms, signals only the beginning, not the end, of negotiations. The negotiations over Hong Kong are providing further evidence of the truth of this statement. For example, the British officials in the colony felt that while many conditions Britain wished to secure had not been written into the agreement, this did not necessarily mean that such items would be excluded. British negotiators thought they had left a crack in the door for the people of Hong Kong; but it has subsequently become obvious that this crack in the door has been slammed shut by the Chinese Communist officials.

British policy has been that Hong Kong should independently develop its own system of government. It has asserted that it would not interfere with constitutional reforms in Hong Kong,

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nor did it intend to force Western style democracy on Hong Kong. Yet the PRC pressured the British to discuss the sensitive issue of political reform at the Sino-British Joint Liaison Group (JLG), the diplomatic body established to consult on the implementation of the joint declaration. In these discussions China soon secured the advantage. During meetings of the JLG, the PRC agreed to consult with Britain regarding political changes and such changes in the Basic Law as Beijing would implement in 1990. The PRC indicated that Beijing did not desire any changes to be made prior to 1990, and if the British wished to make any such changes, they needed to obtain the approval of the PRC. While the British government and British Hong Kong officials insist that a future review of the political system is still on course, and is not a cosmetic exercise, it is nevertheless a sound conclusion that China has in effect gained a veto power over any political reforms that might be introduced in Hong Kong during the transition period.

Thus the question remains: how much power and autonomy will the new government of Hong Kong have? During a visit to Hong Kong in December 1985, the state councilor and director of the Hong Kong and Macao Affairs Office for the PRC, Ji Pengfie, stated that since the Basic Law involving Hong Kong would be enacted by the Chinese National People's Congress (NPC), consequently the power to interpret and change this Basic Law would rest with the National People's Congress and its standing committee. This statement appeared to remove any uncertainty as to Hong Kong's future autonomy in China's favor: the Beijing government, not the government in Hong Kong, will hold the power to amend the Basic Law of Hong Kong self-rule after 1997.(11)

This statement was important for the future role of the government of Hong Kong. Besides asserting the right of Beijing in all matters regarding the Basic Law, the Chinese also claimed the final word concerning the appointment of a chief executive. The new Hong Kong government would have an executive, a legislature, and a judiciary. If a law enacted by the new legislature in Hong Kong appeared to be in conflict with the Basic Law, would the final decision be made by the court of appeals in Hong Kong? This eventuality the Chinese refused to accept. The government in Beijing, not the Hong Kong courts, would be the interpreter of the Basic Law. Despite the award of Special

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Administrative Region status and the theoretical concept of a three branch government, Beijing is effectively denying any independence to the legislature and judiciary of Hong Kong.(12)

Other basic freedoms in Hong Kong remain in doubt. The Secretary General of the Hong Kong and Macao Office, Lu Ping, stated that he did not favor the existing system of competing political parties because such a system might undermine political stability in Hong Kong. While the Hong Kong news media is already intimidated, and is using self-censorship to avoid conflict with the Beijing officials, Lu Ping's assertion that Hong Kong could enjoy "freedom of the press" so long as it did not harm China's sovereignty appeared a weak reed for press freedom, since Beijing will make the determination of what harms its sovereignty. As we go to press, citizens' groups continue to express discontent over terms of the one-sided accord, and leading legislators are trying as best they can to assert truly "autonomous" measures.(13)

A strong blow to British participation, and evidence of China's determination to set the course for the Hong Kong government, came in a statement by two Hong Kong and Macao Affairs Office officials, Li Hou and Lu Ping, during the Basic Law Drafting Committee (BLDC) meeting in Canton, October 4-6, 1987. The BLDC comprises thirty-five representatives from the PRC and twenty-three from Hong Kong. The task is to draw up a mini-constitution for the Hong Kong SAR. (A total of 180 members make up the Basic Law Consultative Committee or BLCC, established to monitor public opinion in Hong Kong on the Basic Law.)

In their statement, the Chinese officials proposed that a SAR organizing committee be established under the Chinese National People's Congress. This committee would be led by a state councilor and would include both Hong Kong and Mainland China representatives. The committee would be responsible for all the details of the SAR government structure, and there would be no British involvement. The committee would be modeled after the BLDC with the establishment of a "widely representative body" similar to the BLCC. This body would select the SAR's first chief executive. Thus the people of Hong Kong would "select" the executive, but Beijing, they made clear, would control the selection process.(14)

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During the almost three years since the joint declaration made by China and Britain, certain conclusions can be reached regarding the techniques and integrity of the Chinese diplomats as their promises of autonomy for Hong Kong became a mere facade, with Beijing controlling the system of government and the lives of the people of Hong Kong. Despite the autonomy promised to Hong Kong after 1997, the Chinese have revealed no willingness to make concessions. Instead they have moved to clarify all the ambiguities and vagueness contained in their joint declaration in favor of Beijing. The British, on the other hand, have revealed a willingness to back down every step of the way. Even the low key approach of the present Hong Kong Governor, Sir David Wilson, has been interpreted as evidence that Britain is backing away from its early enthusiastic promises of democracy for Hong Kong as implied in the British pledge to help develop representative government and by Beijing's promise of a "Hong Kong run by Hong Kong people." Even presently, both the BLDC and the BLCC are perceived by knowledgeable observers as being wholly manipulated by the Chinese Communists, and not representing in any way the wish of the Hong Kong Chinese. The people of Hong Kong – more perceptive than the optimistic diplomats from other countries – reveal little interest in the negotiations, believing that the process is irrelevant since Beijing is unlikely to keep any promises made. Instead they strive to accumulate what wealth they can, in the expectation of leaving Hong Kong for a more optimistic future elsewhere, sometime in the early 1990s. Concern for their offspring is evident by steps taken to secure birth certificates abroad. Despite early optimistic predictions, the Hong Kong government is likely to become, in the words of *Far Eastern Economic Review* reporter Emily Lau (in Hong Kong), "the lamest of lame duck governments before 1997," with the Basic Law (as interpreted by Beijing) already determining major policy in Hong Kong years before Britain turns the colony over to China. (15)

The Macao Issue

The story of the Hong Kong negotiations – and the tactics and style of the Chinese Communist negotiators – would not be complete without reference to China's negotiations over Hong Kong's neighboring territory, Portuguese Macao.

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Portugal, a small nation of about one and a half million people at the time, was a springboard for Chinese and European relations in the sixteenth century. Portuguese explorers sailed around Africa as early as 1498, and successfully established trading posts on the Malay peninsula in 1511, reaching the southeastern coast of China as early as 1514. An emissary sent by the Portuguese king to the ruler of China landed at Canton in 1517 – with a ceremonial salute of gunfire which alarmed the local Chinese. Their first venture into China did not work out well for the Portuguese and the Chinese issued a ban on them in 1522. During the middle of the sixteenth century, they did receive permission to trade with China, and were permitted to establish a trading base at Macao, although the Chinese walled off the peninsula to reduce non-trade contacts (1557). The Chinese officials levied land taxes and custom taxes on the Portuguese while allowing the Portuguese merchants self-government. However, the small Portuguese nation soon lost its pre-eminence in regional trade to the Dutch, who established themselves in Malacca in 1641. They in turn were soon followed by the British and French.(16)

During the latter part of the nineteenth century, the British sought to stop the smuggling of opium, salt, and other commodities from Hong Kong to China. Customs offficials were established in Kowloon and Lappa. Portugal, which had been paying rent on Macao, declared Macao independent from China in 1849, but with the events described above China did not recognize this situation officially until 1887.(17) Although Portugal pledged "never to alienate Macao and its dependencies without agreement with China," Portugal did proclaim Macao an Overseas Province in 1954.(18)

Following the accession of the Communists to power in 1949, the Portuguese position in Macao grew progressively weaker and by the 1960s the PRC largely influenced all events in the Portuguese colony without interference from the Portuguese. Then in 1976, a new far-Left government seized power in Lisbon as a result of a military coup, and defined Macao as Chinese territory under Portuguese administration. A new organic law was introduced which provided for a minority of officials in the Macao Legislative Assembly to be elected by popular vote. Although a dispute on the constitutional provisions led to a dissolution of the Assembly in 1984, and to the

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decree of new electoral laws, further modification put the Chinese deputies in a majority for the first time in the history of the Assembly. The Portuguese government began talks with China on the territory's future in 1986.(19)

Beijing tried to link the Macao negotiations to those taking place over the city-state in Hong Kong. The Beijing leadership alleged that Macao would become a similar Special Administrative Region under the principle "one country, two systems." In addition, Macao would be run by the people of Macao (similar to the promise that Hong Kong would be run by citizens of Hong Kong) and it would be allowed to retain a capitalist system for not less than fifty years after the transfer of power. Beijing promised to protect commercial and cultural interests in Macao, and since the talks with Portugal began two years after the British talks on Hong Kong (in 1986 as opposed to 1984), the transfer date for the territory would be two years later, i.e., 1999 rather than 1997.(20)

Those who have expressed concern regarding the PRC pressures on Britain and the pulling back on promises made by Beijing on Hong Kong should realize that the Communists zeal for territorial acquisition prevails in Macao.

There is no debate over sovereignty in the Portugese enclave. Portugal has already conceded that Macao will be — or is — Chinese territory, and only the procedure for the transfer has to be negotiated. Unlike the Hong Kong New Territories, there is no lease involving Macao, so no deadline exists for the transfer of the territory.

Again, unlike Hong Kong, which the British would probably prefer to have kept, Portugal tried twice — in 1967 and 1974 — to turn Macao over to China but the Chinese refused for a variety of strategic reasons. When the current negotiations began, Portugal seemed to prefer that the transfer take place in the year 2000 or 2007, the latter being the 450th anniversary of the Portuguese settlement in Macao. But the Chinese first pushed for 1997, and then agreed to 1999.

One important characteristic of the PRC negotiating technique became clear. When there is possibility of an agreement beneficial to its objectives, it moves quickly. But when it fails to win all of its demands, its negotiators become masters of delay. Rolf Cremer, a long-time professor at the (Macao) University of East Asia, declares that "most negotiators and diplomats are

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willing to make concessions" but teams from Beijing "begun with a pre-conceived" and "uncompromising vantage point" – one from which they never retreat. When the question of dual nationality arose, the Portuguese sought to obtain the right for Chinese and Eurasians who chose to remain in Macao to retain Portuguese citizenship. The Portuguese were in no hurry, but China was willing to make concessions because it wanted a quick foreign policy success.

Portugal also holds a unique card in respect of the Macao negotiations. Faced with a weakened position, Portugal can walk away from the negotiations at any time. This would immediately turn Macao over to the Chinese, who – if they failed to handle the Macao transfer appropriately – might find their negotiations with the British over Hong Kong impaired. Any failure to handle Macao properly, if it fell into their hands before the Hong Kong negotiations were settled, would cause alarm amongst observers concerning the fate of Hong Kong after 1997. More than that, it would deal a blow to the PRC propaganda effort to convince the world that Taiwan should be brought under their jurisdiction as a Special Administrative Region under the "one country, two systems" principle. The theoretical "Hong Kong model" would be displaced by the practical experience of an unsatisfactory "Macao model"!

China scored a propaganda victory in the Portuguese negotiations. Hoping to avoid the humiliation experienced by Britain over Hong Kong, the Portuguese government suggested that the site for the negotiations be rotated between Lisbon and Beijing, but the Chinese rejected this request, arguing that since Macao had been taken from China by the Portuguese, the Portuguese should now come to China to give it back.

Western nations usually seek an agreement at the bargaining table that is "fair and reasonable," but the PRC negotiators are single-minded in seeking one which wins them the most advantages. In Macao the Chinese were fortunate in dealing with a country which had just experienced a left-wing military coup, and which had changed governments several times since then. Consequently, the Portuguese delegation arrived in Beijing ill-prepared, many of its members meeting each other there for the first time. They were treated hospitably, taken to see a number of historic sights, and then pressured into agreeing to an early deadline, on the pretext that the agreement should

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be ready for ratification at the next meeting of the Chinese national congress. This was the reverse of Chinese policy in the Hong Kong negotiations, where the termination date for the New Territories lease was 1997. In respect to Hong Kong, China held over the British that it would break off negotiations at any time the talks were deemed to be unsatisfactory, thus facing Britain with the humiliating prospect of a unilateral Beijing pronouncement over the fate of Hong Kong and its millions of inhabitants who looked to Britain for protection.

Though holding the upper hand in the Macao negotiations, the Chinese refused to relinquish any control. Portugal had a relaxed attitude in the negotiations and the Chinese negotiators have moved steadily to assert control as the negotiations proceeded. Beijing, for example, has sent more and more Chinese-speaking cadres to Macao to learn how Macao is run, and these officials have already begun to occupy key spots in the local organizations in Macao. Another noticeable feature has been the growing influence of pro-Beijing elements in the civic and political life. A Legislative Assembly Deputy, Vitor Ng, noted that if the pro-Beijing influence continues to increase, the transition period will falter as Macao would not be an economically independent Special Administative Region of China. In effect, "Macao run by Macao people" would be only a convenient slogan, without real meaning, since China would dominate Macao completely, despite all statements and agreements to the contrary.

The distress over the true intentions of Beijing in Macao is evident by the action of the people. Observers on the scene report that some of the Macao inhabitants are planning to send their children abroad to Portugal or elsewhere, ostensibly for education, and others are planning to emigrate outright. The Chinese in Macao are close enough to mainland China to know how communism there operates – more than one half of the 400,000 people in Macao escaped from the oppression on the Chinese mainland. The stance Beijing has taken on the Macao negotiations, and the subtle and not so subtle methods Beijing is putting into effect to gain a stronger foothold in Macao, reveals that the condition of the people of Macao will be no different from, and enjoy no more freedom than, other people under the domination of the communist PRC government. (21)

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Lessons from the Negotiations

The lesson is evident from the current negotiations for the transfer of Hong Kong and Macao to China that although the more subtle diplomacy of Deng Xiaoping contrasts sharply with Mao Zedong's bombastic style, there is little difference in the goal: the full incorporation of Hong Kong and Macao into the Chinese system with Chinese Communist economic, political, social and military dominance. The lure of both of these prosperous, self-sufficient entities to China's rulers is obvious.

As previously stressed, the PRC negotiators view negotiations in a different light than those of the Western nations. Beijing classifies negotiations into different categories: those with friends: those with enemies: and those with enemies where the objective is to reach an agreement in order to be able to move on to the next (more important) objective. In negotiating they follow a set pattern: non-negotiable demands are presented, which may become negotiable, to obscure the real issues under negotiation; simple issues are made into complex issues, erecting artificial barriers which may or may not be removed later; negotiations are conducted separately on different aspects of the topics without linkage. At the same time, the PRC has remained steadfastly loyal, over almost forty years, to a single goal – the advancement of Chinese Communism.

While the Chinese are very conscious of their role as a weak part of the strategic triangle in negotiations involving the Soviet Union and the United States, they exercise more confidence in negotiating with individual parties such as Britain and Portugal. They present non-negotiable demands, set deadlines, then negotiate concessions at the last minute, on the principle that the longer the other party has to wait for such concessions, the more appreciative they are when they come – and the more willing they are to make further concessions as a part of the staged "breakthrough". More significantly, to the PRC, a final agreement is not necessarily final, and may still be modified at a later date. To the PRC an agreement does not mark the end of negotiations, only the beginning of a new phase of negotiations, a further step in the ongoing search to win the greatest advantage possible. The people of Hong Kong and Macao are already conscious of this fact. The people of Tibet have experienced the worthlessness of Beijing's promises of regional autonomy. And the people of the Republic of China on Taiwan

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remain correctly sceptical of the value of Beijing's promises, and of Beijing's propaganda slogan "one country, two systems."

FOOTNOTES

(1) John K. Fairbank, Edwin O. Reischauer, and Albert M. Craig, *East Asia: Tradition and Transformation*, Boston: Houghton Mifflin Company, 1973, pp. 435, 437, 450, 451-452, 460.

(2) "Hong Kong," *Asia 1987 Yearbook*, Hong Kong: Far Eastern Economic Review, 1987, p. 137.

(3) Ibid.

(4) John McCook Roots, *Chou: An Informal Biography of China's Legendary Chou En-lai*, Garden City, New York: Doubleday and Company, Inc., 1978, p. 8.

(5) "Hong Kong," *Asia 1987 Yearbook*, p. 137.

(6) Arthur Lall, *How Communist China Negotiates*, New York and London: Columbia University Press, 1968, p. V. Besides the People's Republic of China and the United States, other nations involved in the negotiations included the Soviet Union, United Kingdom (Britain), France and India. Ibid.

(7) Ibid., pp. 9-11.

(8) Ibid., p. 15.

(9) "Hong Kong," *Asia 1987 Yearbook*, p. 145.

(10) "Hong Kong Lifts Estimate of Growth in GDP to 12%," *Asian Wall Street Journal*, September 22, 1987, p. 3.

(11) "Hong Kong," *Asia 1987 Yearbook*, pp. 137-138.

(12) Ibid., p. 138.

(13) Ibid., p. 140.

(14) Emily Lau, "Hong Kong: Doing it our way," *Far Eastern Economic Review*, October 22, 1987, p. 21.

(15) Ibid.; "Hong Kong," *Asia 1987 Yearbook*, p. 140. Another issue of concern to the residents of Hong Kong is China's construction of the Daya Bay nuclear power plant in Shenzhen, China, near Hong Kong. See Emily Lau, "Hong Kong: meltdown in confidence," *Far Eastern Economic Review*, October 29, 1987, p. 35. For a comprehensive review of the key documents over Hong Kong see Hungdah Chiu, Y. C. Tao, and Yuan-li Wu, *The Future of Hong Kong*, Westbury, Connecticut: Quorum Books, Greenwood Press, 1987.

(16) Fairbank, Reischauer and Craig, *East Asia: Tradition and Transformation*, p. 244.

(17) Ibid., p. 580. An article focusing on the beauty and historic background of Macao can be found in Jane Ram, "Macao Puts History to Work," *The Asian Wall Street Journal*, September 18-19, 1987, p. 13.

(18) "Macao," *Asia 1987 Yearbook*, p. 181.

(19) Ibid.

(20) Ibid.

(21) Ibid., pp. 181-183.

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SOCIO-ECONOMIC BUDGETARY CONTRASTS IN DEVELOPING COUNTRIES: THE EFFECT OF ALTERNATIVE POLITICAL REGIMES

By Robert E. Looney

One area that has received scant attention in the literature is the effect of alternative political systems on the setting of budgetary priorities in developing countries. While there has been a considerable anecdotal discussion of this issue, little or no empirical work has been undertaken. Using the simple dichotomy between civilian and military regimes, it appears that significant differences in budgetary allocations exist. Interestingly enough it appears that military regimes are less likely to reduce economic allocations during periodsof budgetary stringency. In contrast, civilian regimes in similar situations are more inclined to preserve social allocations.

Despite the explosion of studies on the impact of defense expenditures on developing country growth, no clear and simple answer has emerged to the question: does defense spending have an impact on economic performance? Depending on the researcher, the answer could be yes, maybe, or no, with different degrees of confidence. There is also considerable disagreement about the nature of such impact, as may exists. Suggesting a reciprocal relationship between military outlay and economic performance, some analysts feel that as current defense spending can affect future economic performance, current or expected economic conditions can influence governmental decisions about how much to spend on defense.(1)

As Chan(2) noted, we need to redress the research problems in this area into separate questions and ask: 1) what kind of impact? 2) how does this impact occur? 3) what are the relevant measures of defense burden and the relevant measures of economic performance? 4) when is this impact more likely to be felt? 5) which countries are more likely to experience this impact? 6) what are the opportunity costs of this impact? 7) which domestic groups and areas are more likely to benefit or to be hurt by this impact? and 8) what are the policy implications of this impact?

The purpose of this paper is to make a first attempt at answering several of these questions by integrating two major areas of research — the defense growth debate and the defense budgetary trade-offs debate — that despite their rather obvious

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connection have been undertaken quite independently from one another. More specifically, the analysis below shows that:

1. When examining Third World countries as subsets — those governed by military regimes or those having civilian governments — one finds sharply diverging results as to the impact of the military burden on growth.
2. The budgetary trade-off between defense and non-defense expenditures differs considerably depending on whether a country has a civilian government or military regime;
3. Differences in the budgetary process in military and civilian regimes are likely to account in part for the contrasting impact that increased military burdens have with respect to each group of countries.

The main contribution of the analysis below to the ongoing defense/growth debate is the identification of a clear and unambiguous mechanism leading from changes in the military burden to variations in budgetary allocations to growth inducing categories and hence growth. Several of these linkages have been alluded to by various researchers, but none have been quantitatively identified.

The Defense-Growth Debate

There are many hypotheses one can develop about the manner in which increased defense spending may affect growth favorably or unfavorably. Rothchild,(3) Benoit,(4) Deger and Sen,(5) Frederiksen and Looney,(6) Looney,(7) Faini, Annez and Taylor,(8) Leontief and Duchin.(9) and Lim,(10) Deger and Smith,(11) Biswas and Ram,(12), have advanced a variety of arguments.

Despite the diversity in their approaches and arguments, most researchers probably recognize two important mechanisms through which military expenditures may affect economic growth:(13)

1. the military sector may for a variety of reasons generate positive or negative externalities for the rest of the economy; and
2. there may be important factor productivity differences between the two sectors.

In his seminal work Benoit,(14) after controlling for the effects of investment and bilateral economic assistance, found

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(for the period 1960-65) a positive and significant relationship between the defense burden (defense expenditures share in gross national product) and the growth in civilian GNP. On the other hand, over the 1950-65 period he did not find a statistically significant relationship between the defense burden and growth.

In Benoit's view, the positive correlation in the shorter time period indicated that military expenditures were more likely to be the cause rather than the effect of faster economic growth. His actual conclusions, however were stated in rather cautious and tentative terms: (15)

> We have been unable to establish whether the net growth effects of defense expenditures have been positive or not. On the basis of all the evidence we suspect that they have been positive . . . but we have not been able to prove this. Heavy defense expenditure does not, however, appear to have been associated with lower growth rates, even after adjusting for differences in foreign aid receipts and investment rates and this in itself is surprising.

The positive relationship found by Benoit between the defense burden and economic growth could however be spurious because economic growth could be caused by the inflow of other types of foreign resources not just aid. There has also been considerable skepticism regarding Benoit's explanation that rising military expenditures stimulate private demand and encourage fuller utilization of production facilities. Several critics have argued that the main problem facing developing countries is not inadequate demand and underutilized capacity, but severe production bottlenecks in precisely those industrial sectors that are likely to be further strained to cope with additional defense demands. Finally, several analysts have objected to Benoit's structural specification of the analytic model linking defense expenditures to growth and his measure of the defense burden used in his model. (16)

Although the studies that attempt to verify Benoit's results do not always agree among themselves, they have not, on the whole, supported his conclusion. Some failed to find any strong and systematic relationship between defense spending and economic growth in the Third World. Others actually discovered a significant negative relationship between these variables, either for developing countries as a whole, or at least for some subsets of countries. While some analysts found a positive

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relationship for several countries, such as the OPEC countries, or a somewhat even larger group of unconstrained countries,(17) this phenomenon appears more the exception than the rule. None of the validating studies would support Benoit's observation that the positive impact of military expenditures on growth is a widespread phenomenon among developing countries. On the other hand, the evidence in support of a negative relationship between defense spending and economic growth has usually produced modest (albeit statistically significant trade-off) and sometimes is derived from very small samples of subsets of the developing countries.(18)

As noted above, the major deficiency common to most of these studies is their omission, except in a very general sort of way of the specification of a mechanism through which military burdens impact on growth. Benoit's resort to Keynesian demand creation effects for net positive impacts and Frederiksen and Looney's assertion of the net negative impacts on overall growth stemming from the appropriation of scarce foreign exchange by the military, remain as the standard explanations for the observed impacts of defense expenditures on growth in the Third World.(19)

Completely isolated from the defense growth debate, a number of researchers have been simultaneously attempting to determine whether increases in defense expenditures in Third World public sector budgets systematically displace various socio-economic allocations.

To date analyses of budgetary trade-off:(20)

1. have concentrated almost exclusively on the developed countries;
2. have proceeded from a variety of theoretical perspectives;
3. have employed an array of methological approaches; and
4. have produced conflicting and mixed results.

Peroff and Warren(21) conclude that "the number of studies which indicates the existence of a tradeoff approximates the number that shows that none exists."(22)

While the bulk of the research on budgetary trade-offs between defense and social program expenditures has focussed on the industrial countries of North America and Western Europe, Hayes,(23) has suggested that the problem of trade-offs between defense spending and social investment "is perhaps

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even more serious in the developing countries."(24)

In a major United Nations report the Secretary General argued that when the needs of economic development are so pressing in the developing countries, it is

> . . . a disturbing thought that these countries have found it necessary to increase military spending so speedily, particularly when their per capita income is so low."

The study concluded that military expenditures undoubtedly absorb resources that are:

> . . . substantial enough to make a considerable difference, both in the level of investment for civil purposes, and in the volume of resources which can be devoted to improving man's lot through social and other services.(25)

The clear implication of this United Nations report is that increased defense spending may have negative consequences for socio-economic development programs such as health, education, and economic services.

Clearly, the basic criticism leveled against defense expenditures is that they reduce the total resources available for economic development programs such as health, education, and economic services.

Therefore, the basic and rather obvious criticism leveled against defense expenditures is the usual guns vs. butter dichotomy i.e., that increases expenditures reduce the total resources available for economic and social development. The growing need on the part of developing countries for both domestic and foreign resources could be met, it is argued, by freeing some of the current allocations for defense, especially where economic difficulties demand major structural adjustments. Critics of defense expenditures argue that allocations in this area complicate the task of adjustment, since they escape analysis and scrutiny while using up high opportunity resources.(26)

While this argument appears sound in a zero-sum world, in actuality these fears are somewhat surprisingly not always borne out. For example, in her analysis of budgetary allocations to defense and a variety of socio-economic programs in Brazil between 1950 and 1967, Hayes(27) concluded that military spending did not necessarily yield negative consequences for social and economic investment. She found that substitutions between military allocations and allocations to other sectors do occur frequently, but that the burden of these

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substitutions is distributed across all categories at one time or another. Further she judged that when they do occur, these substitutions are not severe. Finally she determined that (at least in the Brazilian case) a zero-sum situation did not always occur between defense and non-defense allocations in the sense that defense spending was often accompanied by substantial increases in spending for infrastructure and other development related activities as the central government expanded its overall level of expenditures.

She did find on the other hand that increased defense spending has some negative effects on social spending, but that this "was mild because social investment was not a major priority of any of the regimes examined."(28) Nevertheless, Hayes reported a correlation of -0.23 between defense and social development (education, health, welfare) expenditures measured as percentages of the total public budget. In addition, she found a -0.28 correlation between spending on military personnel and social development expenditures. Although "theoretical generalizations cannot be made and hypotheses cannot be accepted or rejected on the basis of evidence from a single case,(29) Hayes research seems to indicate at most some potential competition between military expenditures and socio-economic budgetary allocations.

Even more surprising (and counter-intuitive) was the finding of Ames and Goff(30) (using a pooled cross-section series data for 18 Latin American countries for the period 1940-1968) that education and defense spending tend to increase and decrease simultaneously. Correlating defense and education spending in absolute terms, as percentage changes from year to year and relative total budget and gross domestic product for individual years (and regimes), Ames and Goff found rather high positive correlations between defense and education expenditures measured relative to the total budget. Mindful of serious auto-correlation problems in their analysis, Ames and Goff concluded that although other (presumably unidentifiable) policy areas may lose out in the budgetary process, neither education nor defense "gains at the expense of the other."(31)

In summary, as in the defense/growth debate, there is conflicting evidence about the interaction of defense with other growth inducing variables.(32) While the studies cited above are suggestive as to the potential budgetary trade-offs between defense and socio-economic allocations, they are somewhat

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unsatisfactory in that the manner in which the overall composition of the budget is determined is never explicitly dealt with. Can we go one step further and delineate the types of regimes that are likely to systematically reduce certain growth inducing allocations for the sake of increased defense expenditures? The literature on Third World civilian and military regimes seems to suggest that this dichotomy may be a useful starting point for examining the manner in which defense allocations affect the composition of socio-economic expenditures in the public sector budget.

Budgetary Priorities in Military and Civilian Regimes

A frequently stated and widely believed maxim of economic development holds that strong central planning under an authoritarian regime is necessary for an underdeveloped country to achieve rapid economic growth. Hielbroner for example states that "only political leadership of the most forceful kind can . . . carry the Great Ascent along."(33) He goes on to say that:

> . . . in most of the underdeveloped nations the choice for the command post of development is apt to lie between a military dictatorship and a left wing civilian dictatorship . . . the logic of events points to the formation of economic systems and political regimes which will seek to impose development on their peoples.(34)

Interestingly while this theme is so pervasive in the literature the assertion is rarely supported by definitive data of any kind.(35) In fact existing empirical studies of regime type, public policy and policy outcomes conducted so far tend to support the conclusion that regime differences have little or no impact on public policy.

The first of these studies, conducted by Eric Nordlinger(36) was based on a population of seventy-four countries. Nordlinger attempted to test the relationship between military strength and seven indicators of economic and social change. These indicators included relatively standard measures of economic change such as the rate of growth of per capita GNP, as well as somewhat more unusual subjective indices such as leadership commitment to economic development.

Finding relatively weak correlations between military strength and the various indicators of socio-economic develop-

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ment (except for the least developed countries of his sample), Nordlinger concluded(37) that within a particular social and political context (when there is hardly a middle class to speak of and when workers and peasants have not been politically mobilized) military regimes sometimes allow or even encourage economic modernization. However he felt his results indicated that in other contexts (i.e., outside sub-Saharan Africa) officer politicians were apparently unconcerned with the realization of economic change and reform. It should be noted that Nordlinger explicitly ruled out the claim that civilian regimes are necessarily more successful in carrying out modernizing changes.(38)

Nordlinger's conclusions were reconsidered by Jackman(39) who applied a covariance analysis method to Nordlinger's data base (as well as a new set of data covering the decade 1960-1970 for seventy seven Third World countries). The use of a more sophisticated statistical approach led Jackman to conclude in contrast to Nordlinger that: "military intervention in the policies of the Third World has no unique effects on social change, regardless of either the level of economic development or geographical region."(40)

Based on an identical sample of 115 countries McKinlay and Cohan reached conclusions that were very similar to Jackman's. In the first of these studies, McKinlay and Cohan(41) compared the performance of military and civilian regimes over the 1951-70 period, using indicators of annual change in percapita GNP, cost of living, food production, exports, primary education, military spending and military size. Like Nordlinger, they found that military regimes performed significantly better than civilian regimes in the poorest countries although the evidence also suggests that in Latin America military regimes perform somewhat better than civilian ones. However, McKinlay and Cohan concluded that "military regimes do not in aggregate form a distinctive regime type in terms of performance."(42) They found that the rate of growth of primary education was the only overall significant performance difference between military and civilian governments.

In their second(43) study McKinlay and Cohan covering 1961-70 used different data and statistical techniques to arrive at the same basic conclusion. In this study, McKinlay and Cohan found evidence that military regimes tended to occupy a weaker international trading position than their civilian

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counterparts, but that their economic performance rates, measured in terms of the rate of growth of per capita GNP, cost of living and exports, compared favorably with non-military regimes.(44) Military regimes were clearly distinguished from their civilian counterparts only by their lower levels of political activity and higher levels of political change. In short the general conclusion reached by Nordlinger and McKinlay-Cohan were that the military regimes were not socially reformist for the most part while being highly repressive politically. Although Nordlinger found some evidence for higher economic growth by African military regimes, this was not attributed to inherent regime capabilities. The latter authors discerned in the socio-economic area that "the military regimes systems do score consistently lower than the non-military regime systems."(45) And while noting that the variations were not of sufficient magnitude to warrant statistical confidence, they reiterated that "what differences do exist place the military regimes in the weaker position."(46)

Sarkesian reports(47) on analogous, yet more striking findings by Park and Abolfathi who:

> . . . analyze military involvement in domestic politics and its consequences for foreign and defense policies. Five indicators of military influence were operationalized and correlated with approximately sixty variables across 150 countries (ca. 1970). Among other things, Park and Abolfathi found that 'countries with a strong political rating of the military tend to spend a higher proportion of their governmental revenues for defense'. They also found that health and education expenditures tend to decrease as military influence increases.

Using the 1960-73 time frame, Ravenhill(48) was unable to find statistically significant performances for African military and civilian governments. Yet he adds the caveat that:

> . . . this type of research design by aggregating the performance data for all 'military' regimes, obscures the substantial differences in performance between regimes classified within either the civilian or military groupings.(49)

Along these same lines Philippe Schmitter,(50) using both cross section and longitudinal data, concluded that no regime type was exclusively linked with developmental success (as measured by such indicators of performance as average annual

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percentage increases in inflation, exports, industrial production, and per capita GNP). Military and civilian regimes were slightly more successful in curtailing inflation, increasing foreign exchange earnings, and promoting economic growth, especially in industry; however she felt her results indicated that environmental factors, particularly dependence on foreign capital, aid and trade, were more important in understanding performance variations than regime type. Regime type only appeared relevant for understanding variations in government allocations (outputs) as distinct from system performance (outcomes). In particular Schmitter found that, as opposed to their civilian counterparts, military regimes in Latin America tended to spend less of social welfare, relied more heavily on indirect taxation as a source of government revenue, and extracted fewer resources for the pursuit of public polities. It should be noted however that most of her correlations between regime type and policy outputs were weak, supporting the view that regime differences are relatively unimportant for understanding policy differences in Latin Amercia.

Margaret Daly Hayes(51) detailed work on longitudinal changes in Brazilian national expenditures also cast doubt on the relevance of regime differences for explaining variations in economic goals and policy outputs. Compared to their military counterparts, civilian governments in the 1950-67 period were more likely to spend money on social development and the civilian bureaucracy and less likely to spend funds on military equipment; but all regimes in this period gave priority to national development with an emphasis on infrastructure development. In short, her analysis indicated that ecological considerations, particularly GNP, political conflict, primary export earnings, inflation and debt service rather than regime type explained most of the variation in expenditure patterns over time.

In summary, recent empirical research tends to suggest that underlying socio-economic conditions impose such basic constraints on political actors that it makes little difference whether they are civilian or military. Similar conclusions have been reached by studies employing very different units of analysis and research strategies. However, before concluding that the effort by researchers to explain the causes of regime variations has been a total waste of time, it is of interest to look at those studies that have concentrated more on differences

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between regime type, budgetary priorities and socio-economic trade-offs associated with increased levels of military expenditures.

In the first of these studies, Kennedy(52) found that in the 1960s military regimes devoted a larger share of their budgets (twenty one percent) on the average to the armed forces than civilian governments (fourteen percent):(53)

> Military governments in Asia, sub-Saharan Africa, and Latin America allocated about double the percentage allocated by non-military governments on defense out of state budgets.

Except in Latin America, Kennedy found military spending to be uncompetitive with health and educational expenditures. Only in Asia and to a lesser degree Latin America did civilian governments spend more on education and health than military regimes. It was about the same in Africa while in the Middle East the largely traditional monarchic civilian autocracies spent even less upon such welfare activities than did the military.

Even more pronounced negative relationships with welfare were reported by Morrison and Stevenson(54) for military expenditures. In Asian and Latin American countries there was a moderate inverse correlation with economic growth and a strong positive one with political instability. Weaker relationships were reported for Africa, where many of the countries had only recently gained formal independence.

Tannahill's policy analysis(55) of ten South American countries between 1948 and 1967 revealed that the military did slightly better in such areas as economic growth, manufacturing production, exports and inflation, while civilians were marginally superior with respect to indirect taxation. His overall conclusion was that:(56)

> The major difference in the performance of military and civilian governments, however, is a political one. On every indicator of political responsiveness to demands for reform — government sanctions, social welfare spending and direct taxes — the military as rulers opt for more conservative or more repressive policies than do their civilian counterparts. We must conclude with Nordlinger, then, that military rulers are commonly unconcerned with the realization of reform and where there are civilian organizations pressing for such change, the military purposefully oppose them.

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Even more than Kennedy, Tannahill discovered a salient distinction in the vital area of social welfare spending where approximately 23 percent of civilian budgets fell into this category, while for the military regimes, it was slightly in excess of 17 percent. Furthermore, this was the only policy differentiation that was statistically significant.

The validity of Tannahill's findings is underscored by Dickson's(57) cross-national and longitudinal assessment of tradeoffs for the same countries during the 1961-70 period. He concludes that:(58)

1. military regimes appear to have been more fiscally conservative than civilian ones;
2. civilian regimes appear to have been more developmentally oriented than military ones;
3. military regimes were inclined to spend less and run lower deficits, even though they spent more on the military;
4. military regimes showed a lower rate of increase in the cost of living and maintained a stronger international liquidity position for the central bank; and
5. civilian regimes for their part, spent more, did more for education and effected higher savings and investment rates, although the military had an edge in electrical production.

Unfortunately the only direct welfare or reform indicator employed by Dickson was public education expenditures. Yet using an earlier 1950-67 time frame Schmitter(59) found that military rule in Latin America was associated with higher regressiveness in tax structures, although frequent military intervention was associated with higher economic growth rates. Schmitter entered the caveat that:

> We have shown rather convincingly that in some penetrated societies such as those in Latin America, exogenous variables — especially the level of commercial and financial dependence on the United States — do explain a wide range of outcomes, including the rate of GNP increase.(60)

Much of the empirical work to date is less in agreement with the expectations of those who imputed a modernizing role to the military in nation-building than it is with Heeger's(61) conclusion that:

> The military decade (1965-75) that has just ended in Africa and Asia has been highly disillusioning. Contrary to

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> most scholars' earlier image of the military as a highly modern force, able to transfer its organizational and technical skills to the art of governing, most military regimes have hindered the development of their countries. Explanations for their incapacity abound. Military organization is now seen as incapable of dealing with the more elusive problems of development, the military is seen as preoccupied with its own class interests; military rulers are described as so anti-political as to frustrate their efforts to gain popular support.

A similar conclusion for most developing countries is articulated by Ball(62) who notes "It is increasingly accepted that for these countries high rates of economic growth, investment and employment are inversely related to high levels of military expenditure." She assesses the effects of militarization upon economic development as being more negative than positive.(63)

Along the lines Debelko and McCormick(64) examined budgetary substitution effects between military, health and educational expenditures reported by 75 countries in various parts of the world between 1950 and 1972. Their regression analysis was consistent with the opportunity cost theses although the coefficients tended to be weak – yet this was less the case for education and health.

When they controlled for regime type, the most pronounced substitution effects were obtained in the case of military regimes: "it is safe to conclude that military spending in personalist regimes has had the harshest impact on spending for education and health."(65)

Opportunity costs were only marginally affected by economic development levels, although these tended to increase for education among the more developed countries, while they declined for the least developed which may have been impacted more by foreign aid programs.

Analyzing coups and military expenditures between 1963 and 1971, Whynes(66) finds that in every case there was a post-coup rise in military expenditures.

An earlier and longer term association between military intervention and enlarged budgetary shares was also reported by Thompson(67) who discerned for the 1946-66 period "that years in which military coups occurred were more likely to coincide with years in which relative defense expenditures increased, not decreased."(68) While this may well have reflect-

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ed abortive attempts by incumbent governments to buy off military support for conspirators, Thompson warns against casual assumptions. Nevertheless, he stressed that "more generally it would appear that there is a tendency for relative defense expenditures to rise in the years after a coup, especially after successful coups."(69) The same holds for subsequent increases in arms imports and weapons stocks.

In general therefore, the empirical literature has been somewhat more successful in identifying differences by regime type with regard to budgetary priorities and socio-economic trade-offs associated with increased defense expenditures than with detecting major differences in the macro-economic performance of civilian and military regimes. However the literature to date remains unsatisfactory in that if in fact there are major differences in budgetary priorities between military and civilian regimes, the consequences should be clearly reflected in some sort of economic performances measure. Yet this does not appear to be the case.

As noted above, the purpose of the empirical analysis that follows is to shed new insights into the controversy surrounding the policy impact of regime type, by examining the impact military expenditures have on over-all economic growth in both military and civilian regimes. In order to account for the results obtained from this exercise, additional tests are performed to determine whether civilian or military regimes have different defense-socio-economic budgetary trade-offs.

In short the analysis below attempts to integrate three main themes in the literature: the impact of defense expenditures on economic growth, the manner in which Third World budgetary trade-offs between defense and socio-economic allocations are resolved and the differing economic performance of military and civilian regimes.

Definitional Considerations

The definition of militarism is fraught with difficulties and controversy. The usual approach is to define militarism as implying a dominance of the military over the civilian, an undue preponderance of military demands, and emphasis on military considerations, spirit, ideals and values. This definition is conceptually broad in scope and it is probably difficult to compare nations on this basis.(70) More specific is the description provided by M. Thee:(71)

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> . . . under the term 'militarism' I assume such symptoms as a rush to armaments, the growing role of the military . . . in national and international affairs, the use of force as an instrument of prevalent and political power, and the increasing influence of the military in civilian affairs.

There are clearly a number of operational problems in using this definition to categorize countries as either military or civilian.

Using a different line of approach Sivard,(72) claims that for a sample of 104 developing countries, 56 have some form of explicit or implicit military control. Militarism is identified by one or more of the following criteria:

1. key political leadership by military officers;
2. existence of a state of martial law;
3. extrajudicial authority exercised by security forces;
4. lack of central political control over large sections of the country where official or unofficial security forces rule; and
5. control by foreign military forces(73)

Clearly these attributes are empirical in that they can be confirmed for a particular society.

Because it was operational, Sivard's approach to regime classification was adopted for the analysis that follows.(74)

Empirical Results

Starting with a simple Benoit type framework, the impact of the military burden (here defined as the average level of military expenditures per capita over the 1970-81 period) on over-all economic growth,(75) (GDPG) for the period 1970-82 was first examined.

Benoit's basic equation was modified somewhat to take into account factors identified in subsequent studies as having an impact on overall economic growth. These variables included:

1. The share of public consumption (PCB) in GDP was included – presumably reflecting potential "crowding out" private sector investment and hence reduced over all rates of investment.(76) The expected sign on this variable is negative.
2. The growth of investment (GDIGB) over the 1970-82 period was used for the investment term. Empirically this variable gave results superior to Benoit's measure – the share of investment in GDP.

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3. The rate of growth of exports over the 1970-82 period was included to control for the relaxation of the foreign exchange constraint in economies such as the OPEC countries i.e. higher rates of growth in these countries may simply stem from increased export earnings which in turn make an increased volume of funds available for modernization and expansion of the military.(77)

4. The average level of military expenditures over the 1970-82 period were used to capture the impact of the military burden on overall economic growth.(78)

For the military regimes:

GDPG = 0.65 GDIGB - 0.27 PCB + 0.22 ME + 0.05 EGB
(6.94) (-2.84) (2.20) (0.48)
r2 = 0.765; F = 23.60; DF = 33
(1.65) (-2.34)
r2 = 0.621; F = 15.13; DF = 51

For the civilian regimes:

GDPG = 0.78 GDIGB - 0.25 PCB - 0.61 ME + 0.42 EGB
(5.25) (-0.36) (-4.09) (3.25)
r2 = 0.666; F = 11.45; DF = 27

For military regimes, real GDP growth over the 1970-82 period was found to be largely a function of the rate of real growth in investment over the same time period (the regression coefficients are standardized estimates), with military expenditures impacting positively on over-all growth. Civilian regimes, in contrast, experienced strong negative effects on growth resulting from increased levels of military expenditures.

Clearly, military regimes — everything else being equal — undoubtedly have greater budgetary flexibility i.e. they can determine expenditure priorities without the degree of popular support associated with the budgetary process in most civilian regimes. Whether or not there is any systematic bias in the way military and civilian regimes determine their defense non-defense budgetary trade-offs, may ultimately account for the impact defense expenditures have on overall growth in their respective economies. More specifically, do military or civilian regimes significantly and systematically reduce growth inducing budgetary allocations to accommodate increased military burdens?

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Budgetary trade-offs were examined by constructing a simple model of the form: share [x] - share [defense] + control variable. Where share [x(79)] is the share of a non-defense category in the government's budget. Control variables were used to improve the specification of the regressive model, thus obtaining less biased estimates. The control variable selected was the share of public expenditure in GNP in 1981.(80) For the results for the military regimes see Chart One.

For the military regimes increased defense expenditures tend to be associated with somewhat higher levels of public sector services, health and education expenditures and allocations for the transport sector. Over-all, defense expenditures do not appear to significantly reduce the share of the budget for economic development, social expenditures, expenditures for welfare, and agricultural development.

Most of the budgetary trade-offs with defense are not particularly strong, however, perhaps indicative of the fact that military regimes spread the needed non-defense reductions over a variety of sectors to accommodate increased allocations to the military.

From the results above we can conclude that increased allocations to defense in military regimes do not come at the expense of allocations that would be making a major contribution to economic growth — the economic services are not significantly contracted nor is agriculture while transport appears to be a beneficiary of increased shares of the budget allocated to defense.

Civilian regimes show a somewhat different pattern of defense/non-defense budgetary trade-offs. Civilian regimes appear much less likely to reduce social programs during periods of expanded defense expenditures than is the case with their military counterparts. In fact civilian regimes tend to increase a number of social programs in line with defense allocations — total social expenditures, and welfare expenditures are both expanded in line with defense. These expanded budgetary shares appear to come at the expense of economic services, particularly funds allocated for agricultural development. In contrast to military regimes the transport sector does not appear to have a statistically signficant increase in its budgetary share during periods of expanded defense expenditures. In short regimes tend to protect social, particularly welfare expenditures during periods of expanded defense expenditures. These budge-

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CHART ONE

(1) public services = 1.25 defense - 0.58 public sector expenditures
(3.36) (-1.13)
r2 = 0.386; F = 5.72; DF = 20

(2) total social = 0.42 defense - 0.03 public sector expenditures
(1.22) (-0.06)
r2 = 0.08; F = 0.78 DF = 20

(3) health- = 0.47 defense - 0.17 public sector expenditures
education (2.36) (-0.61)
r2 = 0.236; F = 2.77; DF = 20

(4) welfare = - 0.05 defense - 0.15 public sector expenditures
expenditures (-0.19) (0.38)

r2 = 0.008; F = 0.08; DF = 20;

(5) total economic = -0.39 defense - 0.05 public sector expenditures
expenditures (-1.88) (-0.17)
r2 = 0.181; F = 1.99; DF = 20

(6) agricultural = -0.10 defense - 0.06 public sector expenditures
development (-1.44) (-0.63)
r2 = 0.146; F = 1.55; DF = 20

(7) transportation = 0.56 defense - 0.10 public sector expenditures
(4.17) (-0.53)
r2 = 0.495; F = 8.81; Df = 20

For the civilian regimes the same tests yielded:

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CHART ONE (Continued)

(1') public service = 0.66 defense - 0.38 public sector expenditures
expenditures (3.80) (-1.63)
r2 = 0.430; F = 8.68; DF = 26;

(2') total social = 0.56 defense - 0.29 public sector expenditures
expenditures (2.75) (-1.06)
r2 = 0.269; F = 4.42; DF = 26;

(3') health- = 0.25 defense - 0.20 public sector expenditures
education (1.77) (-1.04)
r2 = 0.151; F = 2.14; DF = 26;

(4') welfare = 0.32 defense - 0.10 public sector expenditures
expenditures (2.94) (-0.66)
r2 = 0.276; F = 4.58; DF = 26;

(5') economic = -0.23 defense - 0.25 public sector expenditures
expenditures (-2.24) (-1.74)
r2 = 0.247; F = 3.94; DF = 26;

(6') agricultural = -0.13 defense - 0.06 public sector expenditures
development (-2.87) (-0.94)
r2 = 0.273; F = 4.51; DF = 26;

(7') transport = 0.13 defense - 0.87 public sector expenditure
development (1.86) (-0.87)
r2 = 0.152; F = 2.15; DF = 26;

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tary shares come largely at the expense of economic expenditures, that presumably would contribute to over all economic growth. However, overall welfare of the civilian population may not decline appreciably during periods of increased defense expenditures.

In contrast military regimes are less inclined to protect social expenditures during periods of military expansion — health and education expenditures may in fact be increased, but this is not the case for welfare and social programs. On the other hand, military regimes appear unwilling to sacrifice economic allocations for the sake of increased defense budgets. In fact there appears to be a marked increase in allocations for transport development during these periods. The net effect of this budgetary pattern is undoubtedly little sacrifice of over all growth, but a decline in welfare during periods of defense build up.

Conclusions

As noted at the beginning of this paper, little integration has taken place between the body of analysis focused on the defense/growth issue and that dealing with defense/non-defense budgetary trade-offs. Starting from the assumption that civilian and military regimes are likely to have somewhat different budgetary priorities, the analysis above has shown that these two bodies of literature can be fruitfully merged to provide useful insights into the manner in which defense expenditures impact on Third World economies.

Military expenditures tend to reduce economic growth in civilian regimes. The fact is however that civilian governments, perhaps due to voter resistance, tend to maintain and even expand a number of social programs during periods of military buildup. Economic allocations bear the brunt of expanded military budgets. The net impact is one of increased military spending impacting negatively on growth.

In contrast the military regimes, perhaps not as constrained by civilian opinion and preferences, tend to be less inclined to maintain social programs during periods of military buildup. This in turn allows military regimes the luxury of avoiding major cuts in economic allocation (and perhaps even an expansion in some economic areas). The net effect is that military regimes have not experienced reduced growth with higher

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levels of military expenditures.

Clearly there appears to be some contraint which the mere possession of a domestic arms industry places on the budgetary process in arms producing countries that is not present in non-arms producing countries. The nature of this contraint will, however, most likely not be understood with any degree of certainty until a number of detailed country studies are completed.

FOOTNOTES

(1) These studies, their assumptions, results, and limitations are all excellently surveyed by Steve Chan in his "The Impact of Defense Spending on Economic Performance: A Survey of Evidence and Problems," *Orbis* (Summer 1985), pp. 403-434.

(2) Ibid., p. 410.

(3) Kurt W. Rothchild, "Military Expenditures, Exports and Growth," *Kyklos*, (December 1977), 0p. 804-13.

(4) Emile Benoit, "Growth and Defense in Developing Countries," *Economic Development and Cultural Change* (January 1978), pp. 271-80.

(5) Saadet Deger and S. Sen, "Military Expenditure, Spin-Off and Economic Development," *Journal of Development Economics* (August-October 1983), pp. 67-83.

(6) P. C. Frederiksen and R. E. Looney, "Defense Expenditures and Economic Growth in Developing Countries: Some Further Empirical Evidence," *Journal of Economic Development* (July 1982), pp. 113-26; P. C. Frederiksen and R. E. Looney, "Defense Expenditures and Economic Growth in Developing Countries," *Armed Forces and Society* (Summer 1983), pp. 633-45; P. C. Frederiksen and R. E. Looney, "Another Look at the Defense Spending and Development Hypothesis," *Defense Analysis* (September 1985), pp. 205-210; and Robert E. Looney and P. E. Frederiksen, "Defense Expenditures, External Public Debt, and Growth in Developing Countries," *Journal of Peace Research* (December 1986), pp. 329-338; Robert E. Looney and P. C. Frederiksen, "The Impact of Public Enterprise on Economic Growth in Latin America: The Case of Defense Industries," in Edgar Ortiz ed., *Proceedings of the International Symposium on the Public Enterprise* (Mexico City: CIDE, 1987).

(7) Robert E. Looney, "The Economic Impact of Rent Seeking and Military Expenditures in Third World and Civilian Regimes," *American Journal of Economics and Sociology* (1988 forthcoming).

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(10) David Lim, "Another Look at Growth and Defense in Less Developed Countries," *Economic Development and Cultural Change* (January 1983), pp. 377-84.

(11) Saadet Deger and Ron Smith, "Military Expenditures and Development: The Economic Linkages," *IDS Bulletin* (October 1985), pp. 49-54.

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(12) Basudeb Biswas and Rati Ram, "Military Expenditures and Economic Growth in Less Developed Countries: An Augmented Model and Further Evidence," *Economic Development and Cultural Change* (January 1986), pp. 361-372.
(13) Ibid., p. 362.
(14) E. Benoit, *Defense and Economic Growth in Developing Countries* (Lexington, Massachusetts: Lexington Books, 1983), p. 3.
(15) Ibid.
(16) Chan, op. cit., p. 412.
(17) See the work of Frederiksen and Looney cited above.
(18) Ibid., pp. 412-413.
(19) See also the spin-off linkages argument developed by Deger and Sen op. cit.
(20) Joel Vener, "Budgetary Trade-Offs Between Education and Defense in Latin America: A Research Note" *The Journal of Developing Areas* (October 1983), p. 78.
(21) Kathleen Peroff and Margaret Podolak-Warren, "Does Spending on Defense Cut Spending on Health? A Time Series Analysis of the U.S. Economy, 1929-74," *British Journal of Political Science* (January 1979), p. 22.
(22) Ibid., p. 49.
(23) Margaret D. Hayes, "Policy Consequences of Military Participation in Politics: An analysis of Tradeoffs in Brazilian Federal Expenditures," in Craig Liske, William Loehr and J. McCamatt, eds., *Comparative Public Policy* (New York: John Wiley, 1976), 0. 21-52.
(24) Ibid., p. 23.
(25) United Nations, Secretary General, *Economic and Social Consequences of the Arms Race and Military Expenditures* (United Nations Document No. A/8469/Rev, 1971), pp. 19-29.
(26) Shuja Nawaz, Economic Impact of Defense Expenditures," *Finance and Development* (March 1983), pp. 34-35.
(27) Op. cit.
(28) Ibid., p. 50.
(29) Ibid.
(30) Berry Ames and Ed Godd, "Education and Defense Expenditures in Latin America: 1948-1965," in Craig Liske et.al., op. cit., pp. 175-198.
(31) Ibid., pp. 179-80.
(32) For a recent, detailed survey of the other major studies in this area Cf. Joel Verner, op. cit., pp. 77-91.
(33) Robert Heilbroner, *The Great Ascent* (New York: Harper and Row, 1963), p. 132.
(34) Ibid., p. 135.
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(56) Ibid., p. 242.

(57) Thomas Dickson, "An Economic Output and Impact Analysis of Civilian and Military Regimes in Latin America," *Development and Change* (1977), pp. 325-45.

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(62) Nicole Ball, "Defense and Development: A Critique of the Benoit Study," *Economic Development and Cultural Change* (April 1983), p. 81.

(63) N. Ball, "Defense Expenditures and Economic Growth: A Comment," *Armed Forces and Society* (Winter 1985), pp. 291-97. See however P. C. Frederiksen and Robert Looney, "Defense Expenditures and Economic Growth in Developing Countries: A Reply," *Armed Forces and Society* (Winter 1985), p. 298-302. For a contrary view.

(64) David Dabelko and James McCormick, "Opportunity Costs of Defense: Some Cross-National Evidence," *Journal of Peace Research* (1977), pp. 145-54.

(65) Ibid., p. 152.

(66) David Whynes, *The Economics of Third World Military Expenditures* (Austin: University of Texas Press, 1979).

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(67) William R. Thompson, *The Grievances of Military Coup-Makers* (Beverly-Hills: Sage Publishers, 1973).

(68) Ibid., p. 20.

(69) Ibid., p. 24. See also W. Thompson, "Corporate Coup-Maker Grievances and Types of Regime Targets," *Comparative Political Studies* (Janaury 1980), pp. 485-96.

(70) S. Deger, *Military Expenditures in Third World Countries* op. cit., p. 15.

(71) M. Thee, "Militarism and Militarization in Contemporary International Relations," *Bulletin of Peace Proposals* (1977), p. 26.

(72) Ruth Leger Sivard, *World Military and Social Expenditures, 1983* (Washington, D.C.: World Priorities, 1983).

(73) Ibid., p. 10.

(74) The classification of military regimes and civilian is the same as that listed by Sivard. Ibid.

(75) Economic data is from the World Bank, *World Development Report*, (New York: Oxford University Press, various issues). Military expenditure data is from United States Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers,* (Washington, D.C.: ACDA, various issues).

(76) Cf. David Morawetz, "Economic Lessons from Some Small Socialist Developing Countries," *World Development* (1980), pp. 337-369.

(77) Cf. Robert E. Looney and P. C. Frederiksen, "Defense Expenditures, External Public Debt and Growth in Developing Countries," *Journal of Peace Research,* (December 1986), pp. 329-338.

(78) Economic data were taken from the World Bank, *World Development Report* (New York: Oxford University Press, various issues). Military expenditures were computed from United States Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers* (Washington, D.C.: USACDA, various issues.

(79) Budgetary data were taken from the International Monetary Fund, *Government Finance Statistics Yearbook* (Washington, D.C.: International Monetary Fund) and are for the year 1981.

(80) See the discussion in Verner, op. cit., for rationale of the use of control variables in this situation.

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BOOK REVIEW ARTICLE

THE PROBLEM OF RACE AND ETHNICITY IN U.S. SCHOOLS

EDUCATION AND ETHNICITY: THE U.S. EXPERIMENT IN SCHOOL EDUCATION
Ralph Scott
The Journal of Social, Political and Economic Studies
Monograph Series: No. 17, Washington, D.C.

This is a work of crucial importance carefully researched by a senior psychologist, the head of a university institute for remedial education, who has outstanding credentials in the field of educational psychology. Although he provided an in depth analysis of contemporary problems in relation to multi-racial education in the U.S., his findings will be of interest to parents and educators alike in all countries which are moving toward multi-racial demographic conditions.

The United States of America is today a nation made up of many minorities, and its educational system has been radically reorganized to allow for the problems that this creates. Some minority students, such as the Chinese, Japanese and Vietnamese habitually perform well, other ethnic groups fare less well, and vast efforts have been made at enormous cost to raise the level of educational achievement amonst the lower achieving minorities. Assuming that this is based upon environmental factors alone, and ignoring the evidence for some genetic imput, at least, the solution chosen in the U.S. some twenty years ago was to impose legally enforced racial integration in the classrooms, and to cry 'discrimination' whenever objective figures continued to show a persistent inequality of achievement.

Destpite all this effort and money, Courtland Milloy of *The Washington Post*(who has an established record of sympathy for the plight of the minorities) recently asserted despairingly that "Never in history have there been so many black youths without an iota of job experience. Ill-prepared, arrogant and with unusually high expectations, they can be expected to create social and political problems that cause havoc in their neighborhoods first, then spill over to take a toll on the sys-

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tem."A visit to virtually any U.S. inner city affirms the general accuracy of Milloy's observations. The Soviets, who are not faced with the same problem because they tend to keep their own, more restricted range of minorities, segregated geographically in separate territories, make much of America's problems in this respect. A further visit to virtually any U.S. desegregated school will in fact confirm that for far too many of the disadvantaged youths of all races, these schools have truly become training grounds for later unemployability.

It is perplexing that circumstances have worsened for literally millions of minority youths during a period which has witnessed the burgeoning of special programs designed to help them. For more than three decades the entire structure of U.S. education has been dramatically reshaped so that race-conscious educational provisions might be implemented. Forced busing ordered by courts to bring about a racial "balance" in the classrooms not only brought about the virtual demise of the neighborhood school, but marked the first step in to process which has diverted schools from their historical emphasis on education to a new emphasis on social engineering. To make the situation worse, the techniques and goals they are forced to apply do not seem to be working.

The existing approach to the fact of ethnic differences in school performance and educational achievement is based on the 1960's view that denied the possibility of inherent genetic disparities in ability between individuals and groups of individuals, and insisted that any disparity between the races was due purely to environmental circumstances. The remedy was to mix all students together, and if disparities still persisted, then a further search for environmental inequality was to be made and measures adopted that would 'compensate' for such assumed disparities. The fact that American Indian children are graded by sociologists as being more 'underprivileged' than American black children, but still perform better in IQ tests, and similar data, is never discussed for primarily political reasons.

As U.S. schools became racially "balanced," under court-ordered integration, educators were forced to deal with large ethnic achievement gaps at the high school level: the average reading and maths scores of white students, for example, exceeds the average for blacks by as much as three grade levels.

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School desegregation has not reduced the magnitude of the gap. Within classrooms, the range of student abilities expanded as large numbers of blacks were bused to middle class schools. It is not uncommon, for example, for a tenth grade student to have trouble reading a third grade textbook while sitting beside classmates capable of college work.

Recognizing that teachers cannot effectively deal with the wide achievement spread within classrooms, which appeared after busing and racial integration began on a large scale, school administrators frequently employed a practice known as ability grouping. This permitted teachers to bring educational achievements and assignments more into line with the abilities of individual students. But critics faulted ability grouping as 'resegregation' and this charge was supported by pointing to the large numbers of black and minority students placed on the lower tracks. Educators responded the only way they could: with political expediency. Typically, ability grouping was abolished and classrooms and instructional groupings were racially balanced. Other race-conscious intervention measures were followed: informal quotas on student discipline, on grading, on promotions to higher grades, on participation in extra-curricular activities, and even in the composition of special classrooms, both for the gifted and for the mentally retarded.

A causal relationship exists between race-sensitive schooling policies of this type, which might be called racism-in-reverse, and the worsening plight of many blacks in America. The destruction of the neighborhood schools has weakened the essential bonds of home, school and community. The near demise of ability grouping has caused inordinate numbers of blacks to unnecessarily fail to gain the skills required for later employment. Ethnic quotas on the imposition of disciplinary measures such as suspensions have forced teachers to tolerate behavior which is most efficaciously curbed during the formative years. Unrealistic grading policies have led to a large fraction of students inflating their self-esteem beyond reality, and considering disdainfully those unskilled jobs which might offer them employment opportunities and enhanced self-respect. Racial quotas for exceptional students have so altered what is meant by 'mentally retarded,' 'gifted,' and 'learning disabled' that such special classes have lost their original meanings and much

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of their usefulness. Uncritical promotions from grade to grade, ignoring students' actual academic competencies, have led to unacceptably high failure rates in high school and university, and in some cases to certification of unqualified professionals as verified by the high failure rate of blacks on teacher competency tests. However well-intentioned, such race-conscious efforts to combat the problem of low minority academic performance have ascerbated the 'nightmarish' problems of black education about which Milloy has so eloquently written.

The sensitive racial topics considered throughout this book are intended to promote rethinking of basic educational strategies in the U.S. But though they are based on the U.S. experience alone, they will have increasing relevance to other countries, particularly in Western Europe, as schools there become more multi-racial as a result of further immigration from the Third World and disparate birthrates amongst minorities already in Western Europe. The author of this work believes that the members of the affected minorities can only escape the disadvantages that the well-meaning resort to forced integration and quota systems places upon them if they themselves are able to see the actual consequences of these seemingly benign schooling policies. He also believes that minority parents must be in the vanguard of those who work to see that schools veer back on course and reemphasize learning and instruction. After all, education is what schooling is all about. Any attempt to placate critics by falsifying academic results through "quota" systems of grading, promotion and the like, is not only a waste of resources, both human and financial, but also a disservice to those minorities who have difficulty in coping with academic work. Those who are bright should fill the special classes for the gifted and those who are slow should have places in the special classes designed to help them. Placing the slow learners in classes alongside the gifted helps neither category of student.

This is an enormously valuable, scholarly and amply documented work of the highest contemporary relevance.

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RURAL DEVELOPMENT IN ASIA: Meetings with Peasants
by Gilbert Etienne
Sage Publications, New Delhi/Beverly Hills/London

Afghanistan, Bangladesh, China, India, Pakistan – five Asian countries with varying cultures and histories, and differing socio-economic and demographic conditions. Together they account for 2 billion people (or about 40% of the world's population), the vast majority of whom live in rural areas.

All five countries follow their own development path, they share many problems and features – in particular, limited resources and large populations. The route may be different but the goal is the same: to alleviate hunger and poverty.

The cause of poverty is primarily Malthusian, the lowering of the death rate due to modern medical technology and the obstinately high birth rate which refuses to decline. As child mortality rates fall, yet more infants survive to reach child-bearing age, and the population increases further.

Rural Development in Asia is the distillation of the author's long-standing involvement with these five countries and with the problem of development. While not ignoring hard facts, Prof. Etienne is more concerned with arriving at an understanding of the problems through discussions with farmers and peasants, the very people who are "a part of the problem."

Starting with a historical survey, Professor Etienne presents the salient features of each country and outlines the shifts and trends he observed on successive visits. Field studies at the farm level have been combined with a macro perspective at the national level.

THE WORLD REVOLUTION OF WESTERNIZATION
Theodore H. von Laue
Oxford University Press, New York

Two terms are sometimes invoked to explain the general process towards what appears to be becoming a worldwide

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standard technology and standard culture. One is 'Westernization' and the other is 'Modernization.' Both terms have their weaknesses.

'Modernization' seems neutral enough, especially when applied to technological advances, but it offends many in the non-Western world, because it implies that all cultures,philosophies and moral systems not in accord with those that are currently spreading from the West along with modern technology are necessarily out of date and are doomed in the future. While sociologists would probably agree in maintaining that technological changes must affect moral and cultural values, few would assert that technology is totally dominant, and that all 'non-Western' systems are doomed to disappear. The evidence of Singapore, where Confucianism is living and healthy, is proof of that. Indeed, we might argue that Hinduism is in healthier condition amongst the successful industrialists and bankers of modern India than Christianity is in Western Europe.

Similarly, 'Westernization' also has its difficulties as a label to be applied to all that is happening in the world today. Many of the standards and values that have accompanied modern technology are quite alien to the 'Western' tradition itself. Furthermore, the contemporary 'Western' world lacks any unified cultural system, and is itself victim to the spreading chaos of ideals and values systems.

Author von Laue invents his own term, 'The Great Confluence,' to describe the seemingly irresistable tide of technological and cultural 'unification' that is currently sweeping the world. At the same time he correctly sees that the peoples of the more sophisticated cultures of the Third World are not accepting all the ideas, presently dominant in the West, that go with this technology. He sees attempts being made to resist the abolition of local cultures; but above all he finds that with 'The Great Confluence' we cannot expect to obtain 'peace.' Rather he believes that the future holds a rising tide of violence for the world, as more peoples are pushed closer together, and the old barriers of distance, language and cultural differences cease to protect local populations from interference of an increasingly large and increasingly interlocking external world.

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